



**NEWS SUMMARY** 

BUSINESS

Dollar

firmer;

**Equities** 

add 5.6

91.2 (91.4). Page 34

5.6 to 554.0. Page 33

69.95. Page 33

GILTS improved on interest

rate hopes. The Government Securities index rose 11 to

• SUGAR price rally continued, with the London daily raw

price rising £3 a tonne to £116,

£21 above last month's three

• GOLD fell \$4.75 to \$310.5 in

London, In New York the Comes July close was \$300.1

O-WALL STREET was off 2.85

at 794.14 before the close.

higher; and wages rise more

slowly, in Britain than the

average for industralised countries, an OECD report said.

Back Page: Details, Page 3

• MONEY SUPPLY growth is

on target, prompting hopes in

money markets of lower interest

· ARGENTINA devalued the

peso by 21 per cent to a rate

of 20,000 to the dollar (34,450

to the pound) as part of a

ackage of economic measures.

PENN SQUARE Bank of

Oklahoma City went into receivership. Continental

Illinois, the sixth largest U.S.

bank, may as a result report a

MR GERALD RONSON.

second-quarter loss. Page 29

rates. Back Page

£288,000. Page 8

(£6.8m) each.

COMPANIES

quote. Page 24

losses. Page 30

• FIAT, Italy's biggest motor

company, expects a "modest."

GRANADA GROUP, tele

vision and video equip

year low. Page 28

Page 32

SUGAR

Ministers and local authority • EQUITIES were also higher. leaders will meet on July 19 to The FT 30-Share index added

No. 28,818

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM F-38; DENMARK K/ 6,50; FRANCE F-5.00; GERMANY DM 2.0; ITALV L 1,000; NETHERLANDS FI 2.25; NORWAY K/ 6,00; PORTUGAL Esc 50; SPAIN Ptz 85; SWEDEN K/ 5,00; SWITZERLAND F/ 2.0; EIRE 50p; MALTA 30c

More trains run as number of Aslef

rebels increases

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL ran a substant trains BR is managing to run Southand, and retrain-drivers defied their union's call for an all-out strike over flexible rostering and the pressure increased from drivers for a re-examination of union opposition to the issue. BR estimated last night that,

(DM 2.4775), FFr (1995) (FFr 6.8675), SwFr 2.121 (SwFr 2.1065) and 7257.7 (Y257.2). Its trade weighting rose from 121.2 to 121.6. Eage 34 after taking account of the night-shift, it bad been able to O STERLING shed 75 points at \$1.7225 but was up at DM 4.29 (DM 4.285). FF: 11.89 (FFr 11.88) and SwFr 3.655 (SwFr 3.645). Its Bank of England index was down at run about 1,400 trains. This was nearly balf as many again as the final total of just more than 1,000 trains on Monday, the second full day of the strike.

Based on a later-afternoon count, 844 passenger-services and 68 freight?trains had run. The spread of services varied from one BR region to another. Western region continued the worst hit, only four passengertrains and one freight-train running in it by the time of the last available detailed count.

By contrast, Southern region, traditionally regarded as a militant stronghold, ran a much greater proportion of services. In spite of BR's achievement in increasing its number of services, the Government's decision not to pay to BR the Public Service Obligation (PSO) grant for this week may force BR's hand in pushing it to a

BY PETER RIDDELL, POLITICAL EDITOR

Minister yesterday made it clear

to the Opposition parties on the

focus as well as on the number

Mrs Thatcher confirmed that

the chairman of the committee

would be Lord Franks, the

77-year-old former academic

and diplomat, and announced

the names of the other com-mittee members. The Tory

nominees are Lord Watkinson,

the former Defence Minister in

the Macmillan Government and

Lord Barber, the former Chancellor of the Exchequer.

Labour ba snominated Lord

of members in the inquiry.

she has made concessions

A Parliamentary written answer from the Prime MRS THATCHER yesterday

Lever, the ex-Cabinet Minister, in tha late 1950s to Lord

tially greater number of train is still significant as a gange services yesterday as more of the readiness of ordinary members of the Associated Society of Locomotive Engineers and Firemen to resist the strike-call over BR's imposition at 31 drivers' depots of the

flexible work-rosters.
Senior BR officials reported an increase of about 30 per cent on the 601 drivers who turned up for work on Monday. Final figures for yesterday will not be available until today but BR officials thought the number of Aslef drivers had risen by about 65 per cent from the final Monday figure of 272 Aslef

Meanwhile, 329 drivers from the rival Natinoal Union of Railwaymen, which has not its members out on strike, turned up for work

More significant than these figures for individual drivers, a small number of Aslef branches, Bury, Bolton and Harrogate, voted to return to

normal working. ER is placing great hope on other branches, as well as individuals, following suit. A branch revolt would be an even more serious problem for the executive than an individual membership revolt, because the scope for disciplining groups of branches is complete closure of the net-

ork. These three branches, together However, the number of with those at Hull and

Franks inquiry will concentrate

THE OFFICIAL inquiry into the and Mr Merlyn Rees, former Carrington (who had to resign to the Falklands crisis Home Secretary and currently over the Falklands affair) for will concentrate on events shadow energy spokesman.

The other member will be first Lord of the Admiralty.

A Parliamentary written

Westminster about an early general election. She told

MPs that she would be

utterly amuzed" if there

was an October election. This

confirms what many MPs

suspected was her instinct-

to carry on for at least

another year before calling an election.

last year as Permanent Secre-

Health and Social Security, Sir

Patrick, who is to be made a member of the Privy Council,

was, ironically, private secretary

at the Department of

on events leading to invasion

others, are econtacting. Asler's London headquarters and seeking a swift recall of the union's policy-making annual assembly of delegates to re-examine the union's policy on flexible

rostering.

Asief leaders are considering this. If it reaffirmed the union's policy of opposition it might belp to halt any further crumbling of the strike. If it reversed the policy it would at least provide the union with an honourable way out. In any case, a recalled assembly seems certain to be more divided than the last 47-0 vote against the new rostering system.

spite of the continuing drift back to work, Sir Peter Parker, BR chairman, said last "We are expecting a long strike."

Proclaiming himself only

mildly encouraged by the turnout he said: "There is no way that the BR board, the management or the country should expuect any less from ns than seeing this matter settled. And so 1 am not expecting a short strike at all. However long it necessary—we must take

The Prime Minister praised the Aslef drivers who defied the strike-call.

Intervention ruled out, Page 10 Job fears boost Aslef militancy,

series of major public appoint

British Ambassador to Washing

ton during the period when the Soviet sples Kim Philby and

Donald Maclean served there

was that the composition was

senior establishment figures.

mons that the inquiry "must b

given whatever time it needs to

it will be able to report within

six months-and sooner if

The Prime Minister will Continued on Back Page

Callaghan attacks Nott, Page 10

Editorial Comment, Page 22

complete its review but I hope

The reaction at Westminster

Mrs Thatcher told the Com-

damped down speculation at as a Liberal peer. He was

# Railways weekly grant withheld

By Hazel Duffy. Transport Correspondent

The Government has decided to withhold the £15.5m grant paid each Friday to British Rail.

The move could force the British Railways Board to meet this week to decide wbether to close the entire network in the absence of a settlement of the Aslef strike.

The suspension of the grant, the Public Service Obligation (PSO), emphasises the Government's support for the board in its determination to get agreement on flexible rostering and other productivity issues with the unions.

The PSO was paid last Friday for the whole of last week, in spite of the two-day that down caused by the shridown caused by the National Union of Railway-men's strike. Now, however, the Government has decided that since British Rail is not running a service as specified in its contract with the Government, it is not obliged to make the payment. The Government and the

board discussed the possi-bility that BR might be forced into total shntdown by the NUR and Aslef strikes. The ontcome was a memorandum of understand-

ing on BR's finances in the event of a shntdown under which BR would be able to borrow against its £150m temporary borrowing limit. In addition, this figure might be regarded as flexible.

In return, BR would be expected to show it was being as prindent as possible in the management of its finances, and would probably be expected to hasten the sale of assets. This would inc. the sale of Sealink UK, the British end of the cross-Channel and North Sea ferry services, on which the Government regards BR to bave been drag-

ging its feet.

BR went into the strike with fairly good cash flow, thanks to the increase in passenger traffic at the start of the holiday season, but its financial situation is deteriorating daily. The cost of operating even a very imited service is substantial when passenger revenues are virtually nil and payments under most freight carrying Continued on Back Page

July 2 Provious

7325-7350 \$1,7405-7420

# troops to help evacuate PLO

Reagan offers

BY ANATOLE KALETSKY IN WASHINGTON AND DAVID LENNON IN TEL AVIV

PRESNDENT REAGAN offered assurances about the safety of yesterday to send U.S. troops into Lebanon to assist in the evacuation of 6,000 guerrillas of the Palestine Liberation Organisation encircled in Beirut by Israeli forces.

The White House said the deployment of up to 1,000 U.S. troops and the services of the Sixth Fleet in assisting the evacuation would depend on all parties to the Lebanese conflict agreeing on a peace

Shortly after the U.S. statement, heavy fighting broke out again around Beirut. The latest barely 24-bours, collapsed with heavy Israeli sbelling of Palestinian positions on the southern outskirts of the capital. Mr Reagan's decision came

after a proposal from the Lebanese Government for an international peacekeeping force to assist in "the orderly and safe evacuation of armed personnel from Beirut."

The U.S. decision was taken on Friday night after Mr Philip Habib, the U.S. negotlator in by the U.S. Government Lebanon, told the President that such an international force could be essential to reach an agreement on the cessation of hostilities in Lebanon, Mr Larry Speakes, the White House Deputy Press Secretary said.

Mr Speakes said troops would only be sent in the event of a formal request from the government of Lebanon to assist the Lebanese armed forces in evacuating PLO guerrillas.

The U.S. would require

officials said yesterday.

Accordin gto Israel Radio.

which leaked news of the Usaoffer—the U.S. forces would be accompanied by up to 200 French marines and possibly The PLO guerrillas would leave Beirut on ships chartered Israel Radio claimed that four Arab countries had already agreed to receive the guerrillas. Algeria, with smaller groups

its forces and there would be

a force in the southern part o

Lebanon to patrol Israel's

international peacekceping force would be required in

southern Lebanon as part of a

final peace agreement to guarantee Israel against any

further attacks from the north

refused to contemplate sending troops for this purpose. The

President's agreement to help

with the evacuation of PLO

fighters from Lebanon Is

strictly limited to providing a

temporary force of no more

than 1,000 men for a period of

less than 30 days, White House

Israel has suggested that an

northern border.

Israeli officials, who did not deny this report, said the stage, and that the next 48 hours could be crucial.

going to Syria, Iraq and possibly

Israells stand guard over

#### **Current-cost accounting** opponents lead in poll

BY BARRY RILEY

OPPONENTS of current-cost dentedly heavy vote. It is accounting are registering an projected that the eventual turnearly lead in the voting by members of the Institute of Chartered Accountants in England and Wales on tha resolution proposed Mr David

Keymer and Mr Martin Haslam. In three days of postal balloting, preceding the institute's special meeting on July 29, members bave cast 6,477 votes for the motion to withdraw the current-cost standard SSAP 16; ,842 votes were cast against.

This is a 52.5 per cent majority for the Keymer-Haslam resolution. However, another three weeks remain for the receipt of votes.

The total 12.319 ballot-papers received is described by institute officials as an unprece-

out will number about 30,000. This would compare with 25,000 for the previous Keymer-Haslam anti-CCA resolution in 1977. At that time the partners of the Burgess Hill, ment of a previous version of current-cost accounting.

more than 50 per cent of the Spurred by the early voting returns, institute leaders are believed to be making Intense efforts to bring out the vote against the Kelmer-Haslam reso-

that occasion they won slightly

lution. Editorial Comemnt, Page 22 Letters, Page 23

# Bonn in last-ditch moves to save AEG

chairman of Heron Corporation, properly and service station the banks to grant new credits intent group, was given an £81,000 pay cially stricken West German rise, taking his earnings to electrical group, are to be considered by the Boun Cabinet today. The proposal's represent a rearguard action to stave off ■ FUJITSU of Japan introduced what it says is the world's fastest computers, able the imminent collapse of the to handle 500m instructions a group, the thirteenth largest second and costing \$11.7m industrial company in the

Attempts by AEG's manage-ment and its bankers, led by • INTASUN Leisura Group, tour oparator and charter air line lifted profit for the year to March 31 from £10.26m to immediate liquidity crisis. £14.08m before tax. It is quoted

on the USM but has sought a full Government and the banks are profit this year of perhaps L60bn (£25m), confirming its recovery from 1980's L240bn

totalling up to DM 600m unlikely today, but the Cabinet

LAST-DITCH moves to enable could give a declaration of AEG'a financial position is de-

to AEG-Telefunken, the finan- AEG's 24-member banking consortium is examining the possibility of granting DM 200m to DM 300m in new credits against specific collateral as temporary liquidity relief. As part of its overall strategy

totalling DM 1.55bn.

The Treuarbeit report is not (£140m). A final decision is expected for another two to three weeks, but It is clear that

teriorating rapidly from day-today not least because of growing unease among its trading partners.

It is understood that Bonn could probably act more quickly if loan guarantees were could linked specifically to certain export orders. The normal export credit guarantees would be expanded to cover the manufacturing risk, thus freeing existing bank credits for other purposes.

If AEG-Telefunken collapsed, about 123,000 jobs would be at risk, nearly 100,000 of them in the Federal Republic.

AEG's bankers whather to grant temporary night. Dresdner Bank is to

Pipeline talks in Moscow,

#### BY KEVIN DONE IN FRANKFURT

Federal Republic.

Dresdner Bank, to push through a far-reaching restructuring plan could be engulfed by the To allow new money to be pumped quickly into AEG, the

looking urgently at two possi-■ The Federal Cabinet is to consider granting guarantees to very li cover specific AEG export orders called.

for survival — the blueprint AEG-83 -- the group has applied to the Federal Government and several provincial states for guarantees to cover new credits Bonn can take no decision

on this request, however, nntil the application has been closely examined by the state-owned auditors, Treuarbeit, who must certify that the rescue plan has a good chance of success. The Government may not give general loan guarantees if it is very likely they will actually be

emergency credits on Monday clarify the legal obstacles to such a move before the consortium meets again, probably on

#### CONTENTS

U.S. venture capital: the silicon valley goldrush ...... 22 Hungary's economy: an East-West tight-

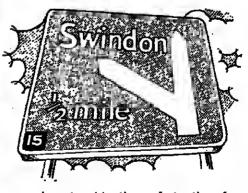
Britain's miners: Mr Scargill's new model union ......23 Management: challenge for head of new engineering council ...... 20

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iles UK 24, 26, 27

For latest Share Index phone 01-246, 8026

# WHEN **MILTON REGAINS** PARADISE IT'LL BE ON THE M4



The soaring overheads of staying in London make Swindon seem like paradise

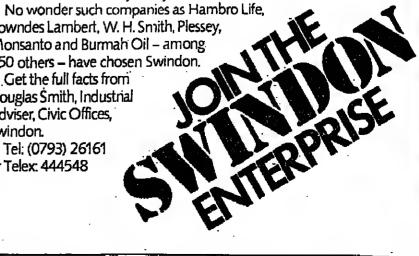
With rents and rates a fraction of the capital's. Swindon is an automatic choice for relocation. London 50 minutes by train. The M4 on your

doorstep. Heathrow faster than from London's centre. Guaranteed housing for key personnel. Full start-up assistance and introduction to funders. A large, underemployed workforce. Training facilities geared to future needs. Wiltshire's outstanding quality of life. Offices, factory premises and sites ready today.

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Douglas Śmith, Industrial Adviser, Civic Offices, Swindon.

Tel: (0793) 26161 or Telex: 444548



Four die crashes

GENERAL

as lorry

into shops

At least four people were killed

when a leary ran out of control along the main street of Iron-

bridge, Shropshire and crashed

into three sheps.
Eight others, including two

children, were injured as the lorry careered down a steep hill

on the road linking Ironbridge

several pedestrians and collided with vehicles.

discuss forecasts that more than

Teacher threat

The loxry knocked down

dismissed if planned education spending cuts are to be achieved. Page 9 Naval 'attack' Cuts in Britain's naval strength introduced over the last year carry "serious national risks"

end are "unacceptable in fillitary terms," said former tief of defence staff Admiral fill Norton, Page 10"

Death sentences Four mercenaries, including one Briton, Bernard Carey, were sentenced to death for trying to overthrow the Seychelles Government. A fifth man South African intelligence agent Martin Dolincheck, was jailed

#### Airliner crashes

A Seriet Aeroflot jet with about 90 passengers on board crashed. soon after take-off from Moscow. All were thought to be

#### Clashes probe

The British Jimbassy in Madrid (\$312.5). Page 28 asked Spanish authorities to probe clashes between English soccer fans and police before the England-Spain World Cup

#### Protesters held Nine anti-midear protesters who

pointed "USS - Auschwitz" on the hull of a Trident submerine and splashed it with their own blood were carested in Groton, Premier jailed

#### Former Turkish premier Bulent Eccvit was jalled for two months 27 days for defying a military degree banning former

Pit claim Britain's miners are committed to fight for a wages and condi-tions package which includes a pay demand of more than 30

politicians from making public statements.

#### per cent. Back Page

Curtain may fall High fees wanted by performers could mean the end of seaside shows, said the chairman of the English Tourist Board, Micbael Montague. Page 9. Blackpool's illuminations this year will use laser beams.

#### Pub crawl offer

Government ministera were invited on a pub crawl by Lord Chelwood who wanted them to see the varying measures offered when wine is sold by the glass. Parliament, Page 12

A FFr 200 note (£16.83) goes into circulation in France today. Two died and 40 were injured

Lisbon derailed and plunged from a bridge. Police detained three men In

when a train travelling to

Southampton under the Prevention of Terrorism Act. people drowned in from £24.44m to £23.88m for

#### the 28 weeks to April 10. Page 24; Lex, Back Page Turkey as they took to the water to escape a heat wave.

			-
RISES: Amersham 226 + 6	Rnberoid 161	+	8
Amershum 226 + 6	Rugby Port. Cement. 98	+	5
Avana	Toothill (R. W.) \$3	+	11
RAT Inds 432 + 9	· U. U. Textiles 30	+	4
BAT Inds	UDS 65		
Karrati Devs 440 T O	United Scientific 380	ŧ	· 15
Danaham 286 + 7	Watson (R. K.) 72		
Ranker McConnell 57 + 5	Carless Capel 160	+	4
10 to Rus 485 + 30	Imp. Cont. Gas 183	+	7
Ferranti 770 + 17 GEC £101 + 1	Shell Transport 386	+	4
GEC £101 + 1	Charter Cons 198	+	10
Glaxo 724 + 13	Cons. Gold Fields 357	+	13
Guinness Peat 47 + 4			٠.
Imm. Bns. Systems 135 + 10.	Falls:		•
Kenning Motor 61 + 3	·BICC		
P&Ω Defd 146 + 5	Land Securities 266	-	4
Diaceau 477 + 7	Parker-Knoll "A" 130	-	4
Poliv Peck	Quest Automation 40	_	10
Peed Intl 297 + 9	Reardson Smith "A" 53	_	5

#### CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)

vana	,	100(UIIF (N. W.) 9	•	T	ΥT	
1AT Inds 432 → 9		U. U. Textiles 3	0	+	4	•
3PB 410 + 8		UDS 0UU	9	7	<b>4</b> .	•
tarratt Devs., Zio + 8.	-	chilled scientific 99	Α.	Ŧ	19.	•
Seecham 266 + 7		Watson (R. K.) 7	2	+	5.	
looker McConnell 67 + 5		Carless Capel 16	0 .	+	4	
10 To Ruse 485 + 30	1	Imp. Cont. Gas 18	3	+	7	
'erranti	٠.	Shell Transport 38	6 .	+	4	
FC £101+ }	•	Charter Cons 19	8 .	+	10	
laxo	k .	Cons. Gold Fields 35	7 .	+	13	•
Spinness Peat 47 + 4		FALLS:			٠.,	
mm. Bns. Systems 135 + 10	١.				'	
Cenning Motor 61 + 3	•	BICC 29				
• & O Defd 146 + 5		Land Securities 26				
Noccov 477 + 7		Parker-Knoll "A" 13	D.	-	4	
olly Pack 343 + 13		Ouest Automation 4	g.	_	10	

# Pressures on currency link ease

... BY GILES MERRITT IN BRUSSELS

PRESSURE from the Luxem- a result of the talks. bourg Government for a The signs are that Belgium significant modification of the has turned down a number of Grand Duchy's 60-year-old requests by Luxembourg for definitely. monetary link with Belgium has a greater role in the manage. The Lux two governments in Luxembourg franc.
els yesterday. The Grand Duchy's demand

Brussels yesterday. The Grand Duchy's demand A aenior ministerial team led for a separate valuation of its by M Pierre Werner, the Luxembourg Premier, is under- been held by Belgium's central stood to have accepted assur- bank, has been countered by a ances on strengthened mone-tary co-operation from Mr Wilfried Martens, the Belgian Prime Minister. Although auxembourg emphasised that it may yield results in the could retain its right to float autumn, but Luxembourg's would retain its right to float autumn,

assets, which have traditionally

free of the Belgian franc, the ambitions to set up a separate triggered the present Luxem to Belgium that likelihood of such a move monetary "institute," enabling bourg discontent—no other will be prepare appeared to have dinimished as it to be represented in the guarantees are reported to bave monetary link.

International Monetary Fund been made. The signs are that Belgium and on the EEC monetary com-

> sought some form of exchange ment would ensure, if success-rate guarantees which could ful, that no further strains are insulate the Luxembourg franc put on the two countries' against a further Belgian franc monetary union.

devaluation. 8.5 per cent European Monetary System realignment which theless issued a formal warning triggered the present Luxem to Belgium that if necessary it

The basis of Belgium's firm mittee seem postponed in-definitely. handling of the currency talks were that the economic monetary link with Belgium has a greater role in the manage-been eased after talks between ment of the linked Belgian-tha two governments in Luxembourg franc.

The Luxembourg Government austerity programme being im-is also understood to have posed by the Martens Govern-sought some form of exchange ment would ensure, if success-

> M Werner, speaking on his While the Belgian Govern- return to Luxembourg, said ment was prepared to give an that if the measures succeed, undertaking that there would the Grand Duchy "would ask be no further unilateral devalua- nothing better than to maintain such as last February's the monetary association" er cent European Monetary The Grand Duchy bas never-

will be prepared to break the

# MEPs set their sights on European union

BY JOHN WYLES IN STRASBIOLING

THE EUROPEAN Parliament yesterday abandoned those, including most EEC governments, who pay only lip service to European integration and struck out on its own towards "European union." Its aim is to formulate a popular demand voiced by MEPa for a thoroughly reformed and integrated Community.

Success could create political problems and embarrassments for the governments. They willed this directly-elected Parliament into being in 1979. Parliament into being in 1979.

MEPs are frustrated at their member states and the Parliament into being in 1979.

MEPs are frustrated at their member states and the Parliament is analysis of the EEC's and may want to be campaignable to prescription ing for re-election in 1994.

European union endorsed by that of their national legis which the institutional com-MEPs here yesterday which are latures. MEPs here yesterday which are to be applied by the Parlia-ment's Committee on Institutional Affairs as It frames its detailed recommendations. Several governments — eer-

tainly the Danish, probably the British, possibly the West German will want to turn a blind eye to this parliamentary venture. It has, after all, a less idealistic side, which is the political aggrandisement of the Parliament itself.

that a serious revision of the a programme for building meanwhile, would be trans-Community's treaties is needed? Europe which will, incidentally, This conclusion could well be make the Parliament's role But these are only some of the result of the guidelines on something more comparable to the changes to the treaties

This development, however, can only be at the expense of the Council of Ministers. Yesterday's guidelines called for proposals for sharing the legis-lative and budgetary powers between the Parliament and the Council. "The current predominance of the Council will cease," they say. Instead tha institutions would become two separate legislative chambers,.

meanwhile, would be trans-

ment to adopt in October or November next year. After yesterday's vote, the committee has the anthonity to redefine the tasks which the Community has set itself and its powers over member states. To the sceptics, who are

legion in the Anglo-Saxon areas of the Community, this is all "Eurolumacy" divorced from political reality and drawing much less popular support than the evangelists pretend. Never-theless, this parliamentary initiative comes at a time of a more general questioning of the Community's priorities relebut these are only some of ings and may not be without the changes in the treaties influence.

# France agrees to raise steel export prices

BY GILES MERRITT IN BRUSSELS

THE EEC avoided a serious for French steel exports, French tiated by France reflect the bility that French steelmakers France agreed to raise its steel export prices in line with other Community producers.

In an emergency pact follow-ing weekend talks between the Freoch Government and European Commission officials, Paris reversed its earlier refusal to implement the 3-4 per cent price rises recently agreed by tha 12 major Empopean steelmakers grouped in the Eurofer pro-ducers' "club" and which were due to have come into effect on their

The agreement was reached between Viscount Etienne
Davignon, the EEC Industry
Commissioner, M Jacques
Delors, the French Finance
Minister and M Jean Pierre
Character France Mariette Chevenement, France's Industry

(up to £13) per ton which had been generally agreed by Eurofer as the final third stage of the increases aimed at boosting European steel prices by 12 per cent this year.

The key element in the compromise between Paris and Brussels is that French steel companies are undertaking not to increase their market shares inside France as a result of comparatively lower

This will ensure that other EEC producers do not lose export business in France as a result, although it leaves open the possibility that other EEC governments might see comparable advantages in seeking

steel producers' domestic prices. Paris . Government'a concern will not rise by the FFr 100-150 ; that the EEC steel prices agreement should not cut across its temporary price freeza and fuel inflation by raising industrial

> It was that consideration, together with a reluctance to sucrifice the advantages of its steel prices row that could have recent 8.5 per cent devaluation precipitated the collapse of the of the franc against the D-mark. in the European Monetary System, which at the end of last week led to the French refusal week led to the French refusal with sharply reduced consump-to follow the general steel price tion in the EEC and the new increases.
>
> U.S. measures to curb EEC ex-

Commission prompted to open urgent talks with Paris by the threat which France's earlier refusal to follow the price rises had posed to price stability in the EEC steel régime.

would be able to undercut West German steel prices, with a renewal of earlier suggestions that it might be forced to im-pose border levies or steel quotas to protect its producers' home markets.

M Davignon has beaded off a disciplines required to maintain order in the EEC steel market because it coincides

The European Commission's preoccupation, however, remains the negotiation of a fresh agreement with Washington that would lift the threat of still tighter steel curbs, and M. bevenement, France's Industry able advantages in seeking An additional concern was Davignon is expected to open that Bonn had already begun talks with the U.S. Government to react strongly to the possisoon.

# Belgrade seeks rise in exports | Lisbon bid to

BY ALEKSANDER LEBL IN BELGRADE

contribution in supporting the he did not say whether this beleaguered Yugoslav economy might be export credits or pean companies to export U.S. with loans and credits than any other West European country, slavia has found it hard to raise the trouble caused inside the Nato affiance by the U.S. ban European Secretary tolds Press. Mr Francis Pym the UK Foreign Secretary, told a Press conference at the end of a two-

His Yugoslav counterpart, Mr President Petar Stambolic, and Lazar Mojsov, made clear during Prime Minister Milka Planinc. talks that his country was keen to iocrease its exports to the UK. Last year these amounted to less office last April, the British lands war, it understood the than a quarter of the £251m in foreign secretary sought to British actions had been taken goods it imported from Britain. minimise transatlantic differ on the principle that force Thia UK-Yugoslav imbalance

Much of Mr Pym's talks were was not worth it, he said.

In earlier speeches during the visit Mr Pym and Mr Mojsov condemned the Israeli invasion

BRITAIN HAS made a larger for Yugoslavia this year, though tion should reconsider its

of Lebanon. Mr Pym said that, But on his first trip outside the aithough Yogoslavia had not U.S. and the EEC since taking taken Britain's side in the Falkences over policy towards the could not be used to resolve Communist bloc.

# shipyard open

THE FATE of Portugal's largest shipbuilding yard, Setenave, south of Lisbon, is to be negotlated by a special Government

The yard, established by private interests in the early 1970s, and nationalised in the revolutionary seizure of major assets in 1975, has lost Esc 10.7bn (£73m) since 1976. Soccessive

# keep Setenave

governments have pumped Esc 7bn into the yard, in an effort to try to save it.

The Balsemao Government is

cuts to which the Belgrade government has generally resorted in order to try to close its current account deficit. But Mr Pym expressed hope that more credits would be available

Communist bloc.

Eterritorial disputes.

Both men hoped that East-burden victorial disputes.

West detente could be revived.

U.S. objectives to hamper though Mr Pym said "events in development of the Soviet gas pledine to Western Europe, it belived the Reagan Administrative develop a climate of confidence."

The Balsemao Government is bent on finding a workable means of easing the state's burden without shutting the yard down. Some 6,000 Jobs are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the white plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the white plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the white plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the white plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the development of the Soviet gas plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the development of the Soviet gas plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the development of the Soviet gas plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the state's burden without shutting the development of the Soviet gas plants are at stake, and the Government is bent on finding a workable means of easing the state's burden without shutting the stat

# leave UCD

#### Spanish party chief tries to halt defections

By Robert Graham in Madrid

DESPERATE bid is heing made by Sr Leopoldo Calvo Socielo, the Spanish Prime Minister, to prevent his ruling Union de Centro Democratico (UCD) party disintegrating. But with new desertions from the Christian Democrat and Liberal factions it is only likely to hold together in slimmer form. here have been constant meet

ings in the past six days between the faction leaders. With the approach of tha summer belidays there is a feeling in the party that it must reach quickly a defini-tive solution to its debilitat-ing internal divisions. Only in this way can the UCD offer a credible image to the electorate incrassingly expecting a general election in the

The main negotiations have been carried out by Sr Calvo Sotelo, Sr Adolfo Suarez, the former Premier, and Sr Landelino Lavilla, the Speaker of Parliament.

I wo basic problems need to be resolved—the party's elec-toral image and control of the party apparatus.

he UCD, created from more than 13 groupings to fight the first democratic general elec-tion in June 1977, has never been more than a coalition of alliances held together by a desire to stay in power. The party's ideology ranges from left-of-centre Social

Democrate and Liberals to right-wing-Conservatives and former Franco bureaucrais, After more than five years in power, personal conflicts and contradicting ideology have come increasingly to the fore. 7th the prospect of an election in the autumn, these factions are considering whether it is best to remain inside the party or leave either to form new groupings or ally directly with the Socialist Party on the left or Alianza Popular on the right. In December the bulk of the Social Democrats in Parliament left the UCD under Sr

Francisco Fernandez Ordonez, the former Justice Minister. Others have since gone their own way, cutting the party majority from 165 to 149. This week, the Liberals have begun to leave and Sr Oscan Alzaga, a leading figure among the conservative. Christian Democrats, has decided to defect to Alianza

Popular.
UCD's direct vote io Parliament could soon be cut to 129

The Liberals believe the party is taking an irreversible turn to the right, preparing the ground for an alliance with Alianza Popular, beaded by Sr Manuel Fraga, a former Franco minister. The Liberals will formally constitute a party next week. e right in the UCD, on the

other hand, believes the party will not subscribe to the idea of an alliance with Alianza Popular to form "the natural majority."

majority."
With these desertions taken more or less for granted, the fight is on for the control of the rest of the UCD, Sr Calvo Sotelo is trying hard to preserve it intact. To do this be appears willing to make many concessions. make many concessions.
The main ones are being demanded by Sr Suarez who was forced to resign the party leadership in January 1981.

He is insisting on cootrol of the party apparatus—some-thing be and his former supporters conceded only last autumn. Otherwise, he is threatening to leave with some 40 MPs and the allegiance of most of the party's regional bosses.

Sr Calvo Sotelo bas reportedly gooe as far as he is willing by offering to stand down from the party leadership lo favour of Sr Lavilla after less than nine months there. Sr Suarez is playing hard on the fact that polls show he is the UCD's best electoral

asset. Opposing him are a group of former Franco bureaucrats, headed by Sr Rodolfo Martin Villa, the Deputy Premier. They are using this squabble as a means to take control of the

alienate the electorate fur-ther. One unpublished opinion poll reportedly gives UCD only 5 per cent of the

# Extra \$500m pledge helps ease IDA's budgetary problems

BY WALTER ELLS IN AMSTERDAM

be alleviated partly by a decision of 11 donor countries to contribute an extra \$500m.

While the promise of this sum has been warmly welcomed by the IDA, bowever, there is still anxiety over the stitude of tha U.S., by far the largest contributor, which "owes" \$850m for 1983 and bas so far paid nothing. Planned spending for the year was \$4.4bn, but even with the U.S. contribution, locome for the year is expected to be only \$3.3bn.

The crisis could have a

serious effect on ald flows to the least developed countriesmany of them in Africa-and to India, which accounts for 40 per cent of IDA loans. The IDA, the soft loans division of the World Bank, is their main lifeline at present, providing interest-free loans with a 10year grace period and a 50-year

maturity.

At a meeting in The Hague this week of 25 of the most important donor countries, Washington confirmed that It was not willing to contribute its 1983 allocation until it had sean the extent of the commitment of other countries to tha 1984-87 period. The Reagan Administration, in any case, has

ACUTE BUDGETARY prob Italy have adopted a similar line lems affecting the operations of over their contributions, while the International Development Britain, though apparently in Association (IDA) for the 1983 favour of an early disburse-fiscal year just beginning could ment, bas yet to take a formal

.... July 7 1982

decision. The U.S. contributes 27 per cent of the IDA's total budget, rising to 31 per cent when account is taken of the rising value of the dollar, and is a vital catalyst in the reaction of European donors. Its theoretical cootribution for the period batween 1981 and 1983 is

At the end of the meeting At the end of the meeting in The Hague yesterday, Mr Mooen Quereschi, senior vice-president of the World Bank lo charge of IDA operations, said be was "extremely satisfied" at the outcome, despite the U.S. attitude. Brazil, Saudi Arabia Swaden Norway Don-Arabia, Sweden, Norway, Denmark, Finland, Iceland, the Natherlands, Aostria, Yugo-alavia and South Korea had all agreed to release their full 1983 allocations, and the Saudis and tha Dutch were ready to

pay up immediately.

A recent French suggestion proposed setting up a special fund for 1983, which would be outside the IDA's normal budget, and would contain the balance of contributions from other donors than the U.S., tied to exports from those countries. The idea is still under consideration, but the had problems in getting even association itself is not 100 per lts theoretical contribution through Congress. It may well end op paying only \$700m, as it dld for 1982, thus adding substantially to the existing shortfall. association itself is not 100 per arrangement within the context West Germany, France and of normal provisions.

#### Poland eases law on foreign capital investment

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S Parliament yester- the sum invested in the enterday passed a law liberalising prise and 50 per cent of export the regulations under which foreign capital could be invested in small-scale busi-

Uoder the regulations, which bave been in existence for five years, foreign nationals could start businesses in the country. From the end of 1981, there were 154 small businesses employing 3,100 people with a turnover of Zloties 3.1bn (£20m) and with exports worth

Mr Longin Cegielski, presenting the draft law for approval, said that the number of companies was expected to double by the end of the year.

said that the legislation hrought no risk of the return of capitalism and implied that Karl Marx would have approved.

The explanation was neces-sary as the Bill is regarded with suspicion by the dogmatic wing of the establishment and more legislation is due in the autumn, allowing greater par-ticipation by foreign capital in the Polish economy.

Meanwhile, Mr Edmund Osmanczyk, another deputy, spoke in favour of liberalising The legislation permits travel regulations and sup-foreigners to transfer profits in ported Mr Kommald Bukowski hard currency abroad to the for his speech on Monday annual value of 10 per ceot of urging an end to martial law.

## Pay curbs blamed for low productivity in industry

BY OUR WARSAW CORRESPONDENT

THE POLISH Government's will not solve all the difficulties. policy of restraining wage increases is contributing to low productivity in industry and means that output is being hald back by labour shortages even

and the banks has been put forward in a leading article in the current issue of Zycia Gospodarcze, the Polish economic weekly. The Government has been

attempting to balance supply and demand by curbing the growth of incomes. According to nuofficial estimetes, this aim was achieved last month for the first time when incomes balanced the supply of goods and services. However, the Government said

last week that there are plans to tackle the most scute prob-lems by raising pensions and in Polan minimum wages, but that this intended.

Zycie Gospodarcze admits that the main barrier to a recovery of industrial produc-tion is the lack of hard currency back by labour shortages even in those sectors whera raw materials and machinery are available.

This argument which files in the face of the policy being conducted by the Finance Ministry and the banks has been put for the form badly paid jobs, low worker motivation and taxes which peralise a ground in

which penalisa a growth in

employment.

• The Government has not attempted to tamper with Western food and medical aid to Poland for its own political purposes, the senior aid co-ordinator for the Polisb Roman Catholic Church assured representatives of British charities in London yesterday, writes David

Bishop Czeslaw Domin of Katowice said that 100 per cent of the Western aid sent via the Church, bad reached the needy in Poland for whom it was

#### This emerges from an opinion poll at a time when the Social Democrats (SPD) — senior partner in the Bonn coalition are flirting increasingly with the idea of some form of co-operation with the Greens According to the poll taken by the respected Atlensbach Instituta last month, 7.7 per cent of West German voters would support the Greens in a general election (against 5.8 per cent a year earlier). Only 6.8 per cent would vote for the Free Democrats (FDP), compared with 10.1 per cent before.

W. German

given more

'Greens'

support

By Jonathan Carr in Bonn

THE GREENS," the West German movement of ecologists

and peace protesters, now has

more national support than the

liberal Free Democratic party

in the Bonn coalition Govern-

ment, thanks not least to ita

growing attraction for

10.1 per cent belove.

These results are still well below those achieved by the large political parties. SPD was just over 31 per cent of the vote, according to Allensbach, and the Christian Democrats-Christian Social Union, 53

Further regional differences among the Greens indicate that tha movement might split into disputing factions if it tried to fight a national cmapaign. Nonetheless, the presence of

Nonetheless, the presents of the Greens—under slightly different names—in five regional parliaments, and the support now revealed by Allensbach, sbow that a new third force has arrived on the b-West German political scene. At This is disturbing above alths This is disturbing above allies for the FDP (the third forcent until now), but the SPD bound cause to worry, too, it lust a opinion poll shows an increapital fring number of young person. It is (aged 18-29) turning to it cash of Greens from the Social Denotter be crats over the past two years. crats over the past two years. In early 1980, 52 per cent of voters in this aga group said they would support the SPD, and 10 per cent the Greens. In the poll last month, 30 per cent spoke out for the SPD, and 21 per cent for the Greens.

The Social Democrats insist they plan no formal coalition with the Greens, but in the citystate of Hamburg they are already being pressed into an accommodation with them. This is because the SPD failed to gain an absoluta majority in last month's Hamburg elections, the FDP gained no seats-but. the Greens won nine.

#### Moscow talks on future of gas pipeline

By Anthony Robinson, East Europe Correspondent

SOVIET Gas Ministry officials yesterday discussed the future of the Siberia-West Europe gas pipeline with representatives of AEG-Telefunken and Mannes-mann, the main West German contractors for the supply of gas turbines, and tubes and ancillary equipment.

The talks are the latest in a series of negotiations over the past week following President Ronald Reagan's decision to extend the ban on U.S. technology exports to the subsidi-aries or licensees of U.S. corporations.

Representatives from John Brown, Creusot-Loire, and listhom-Atlantique have already discussed the problems which bave arisen, as have two senior West German bankers involved in the financial aspects of the complex gas-for-equipment deal. A team from the Italian turbine supplier Nuovo Pignone also arrived in Moscow for

technical talks. But the most fragile link in the chain now appears to be AEG which bas lost more than \$300m (£470m) over the past two years and whose ability to fulfil its \$280m contract to supply turbines appears to depend as much on survivability of the company as on the complications caused by President

# Irish insurer claims Minister damaged company's standing

BY BRENDAN KEENAN IN DUBLIN

THE IRISH Republic's largest and showed that It had met its ear insurer, the Private
Motorists' Protection Association has called for the
resignation of Mr Desmond O'Malley; Mioisler for Trade

Company executives are also considering whether to sue the Minister for alleged damage to the company's standing The row grose over newspaper allegations that Mr O'Mailey called a meeting of other insurance companies and discussed the position if the PMPA -

of Ireland'a private motoristswas to fail.

The company is angry that
Mr O'Malley has not denied the allegations and is only partly mollified by a statement at tha begioning of the week that the PMPA accounts for the year ended December 31, 1981 bad been received by the Ministry

which insures more than half

obligations and made a profit.
The PMPA believes the crumany has been damaged by these events. A spokesman said they were in a business where they were sensitive to rumour, but it was too early to say if there had been any actual

loss of business.

The PMPA grew np as a reaction to the fact that 80 per cent of the Irish Republic's car insurance business was held by British companies. It is largely the creation of Mr Joe Moore, Its chairman.

However, the company has a disadvantage in that over 90 per cent of its business is in motor insurance where It is

FINANCIAL TIMES. Published except Sundays and holidays. subscription rates \$365.00 per ar Second Class postage baid at delly D.a. notoriously difficult to make an underwriting profit. The company has diversified, but some of its subsidiaries, such as a Sunday newspaper and a farm machinery business, bave had to be jetisoned because of

PMPA insists that its financial position is sound, but the row with the Minister comes as other companies have been making efforts to lure its prime customers, by age or profession, with discoonts on car insurance.



# Brand-new production and office space from about £1.50 a sq.ft.

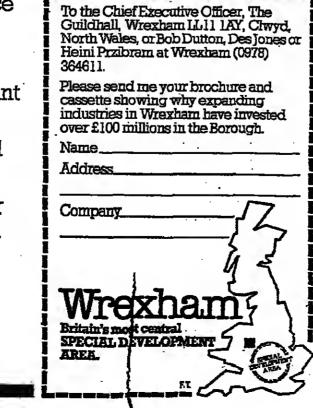
Rent-free periods available. 22% Regional Development Grant if I want to build.

Further cash assistance on fixed capital assets and new plant.

Low-interest European loans for up to 50% of cost of fixed capital assets.

First class labour force.

Grant assistance for office and service industries.



The fight reflects little credit on the party and is likely to

UK real wages set

to rise more slowly

than average in 1983

# recasi

# Growth in output unlikely to prevent loss of jobs

and the uncertain prospects of ing: "It would seem that a a really substantial revival of range of structural factors have investment are the main themes been important in various

growth of output expected in we assess the tax burden to OECD countries | per cent shift in the tax burden to the countries | per cent shift in the tax burden to other and 21 per cent next employment and investment." year—is unlikely to be high enough to prevent unemployment from continuing to rise.

abour force was unemployed. The organisation says this could rise to 9 per cent, representing 32m people by the first held of 1983. In Europe, the rate could be 10; per cent.

The report says the problem of unemployment in the U.S. especies to be largely a cyclical phenomenon, whereas in the European countries, the cyclinal increase seems to be superim-posed on a rising underlying

The reasons for this pro-

cant unemployment in Britain in 1982 and 12.25 per cent in

1983, against 10.6 per cent in

1981, This compares with OECD Enrope figures of 188, 10 and 10.5 per ten in 1981, 1982 and

current balances is expected in straints.

the OECD area this year and

to have continued its rapid:

of 1982 and could be close to

an eventual fall in the com-

bined deficit of non-oll develop-

The growth of total OECD

export volumes to non-OECD countries may already have

started to decline and future growth could be relatively

modest: Many non-OECD states

may try to restrain the growth

GOVERNMENT OF THE

STATE OF GOIAS

SANEAMENTO DE GOIAS S.A.

SANEAGO

INTERNATIONAL PUBLIC BIR

No. 05/82 SANEAGO .

Sonosmento de Golés S.A.—
SANEAGO invites el interested companies to participate in 210 No. 06/
82 for the supply of materials and
equipment for the expansion of the
Water Supply System of the City
of Goléne, Capital of the State of
Golés-2razil.

Goid-Areal.

The Singness resources for payment of the charges resulting from the allo will be provided by the National Housing. Bank — ANH, by the Government of the State of Goide through the Water and Sewer Financing Fund—FAE-GO, and by a Loen taken by BNH from the International Reconstruction and Oevolopment Bank—IROS. The contract providing for SNH and FAE-GO to participate in the object of the Bid is CTM No. 0201/79 (Goide of Project), entered into between BNH and Banco do Estado do Goide on September 79, 1979.

September 79, 1979.

Specified below are the lots of materials and equipment of the 810 and the amount of the 810 and the each Lot:

Lots: I, Specification: Cast-Iron pipes, 31d Bond: C:5800.000; II. Cast-iron parts, C:55.000; III. Cast-iron pipes and parts, C:5700.000; IV. 3tsel pipes and parts, C:5100.000; V. Valvas, dampers, air vents, etc. C:55.000.

The BID is open to Brazillan com-panies and to componies from other IRBS member countries, from Switzerland and Telwan.

The maximum periods for the dollvery of the supplies ere: Lots i and il: 150: (one hundred she fifty) consecutive days: Lot III: 60 (obty) consecutive days: Lot IV: 120 (one hundred one twenty) consecutive days: Lot V: 90 (nimety) consecutive days:

consecutive days.

The SID documento, including the applicable conditions, are available for consultations and purchase of the Permanent Sidding Commissions the bead office of SANEAGO, at Avenda "a." No. 570. Setor Jerdim Godes, Goldinia. The documents may be purchased against presentation of the receipt for payment to the Treasury of SANEAGO, at its head office. Of an enrolment less of C-53,070 (three thousand cruzelines) per Lot. from June 9 to July 23, 1982, from 8,00 to 11,00, om sed time 2,00 to 4,00 pm.

The bids are to be handed in at room No. 3%, at the head office of SANEAGI, on July 27, 1982, or 3.00 nm, at a public session before the Permanant Bidding Commission of

Eng. João Guimerãos de Barroo

(sed) Eng. José Ubaldo Tales

Golania, June 8. 1982

Technical Director

(sgd)

alooing NOTICE

ing countries.

Foreign trade achieving a

degree of overall stability

stability in foreign trade and of external financing con-

next, in marked contrast to currency terms are expected to

recent years, although consider rise by 5-6 per cent this year

able changes might occur to the and next, compared with an an-

balances of individual countries. : mual rate of growth of 12 per

deterioration in the first half movements imply a \$15bn year-

balance in 1983. The rising gate current deficit in 1982. A

cost and reduced availability deterioration in the real foreign of foreign credit may result in balance as activity picks u

Outside the OECD, however, cent in the threa years to 198L the picture is less stable. Open's . This reflects the direct and incurrent balance is considered direct effects of the recession.

of overall of their external delicits because

THE GRAVE outlook for jobs fully shifterstood, it says, add-national income accounted for of the Organisation for Economic Co-operation and Development's Economic Outlook pubhilty in labour and product It says that the average major imbalances in the share grown of output expected in of aggregate factorie, and a

These problems include a succession of lass succession of laws and tax measures to "limit both, the In the latter part of 1981, 71 freedom of action of amployers per cent of the OECD countries and the perceived need for mobility on the part, of

> A second important factor was the relatively rapid bacrease in wages and non-wast labour costs in the 1970s which led to a sustained reduction as profit shares in many oscinities.
>
> Typically for those counties. belour cost inflexibility and a squeeze on profits have hermed squeeze on profits have h

It says there has also been oncern in many countries

by government spending. Where efforts have been made to curb public spending, there has been

ment to be cut back.

The pattern of adaptation to the two sharp rises in oil prices in 1973 and 1979 has shown some substantial evidence of flexibility in the market economies, however.

"Compared with 1978, OECD economies on average now use about 16 per cent less energy per unit of GNP (output) and about 26 per cent less oil." By contrast, energy consumption per unit of output in the centrally planned economies bas declined by less than 5 per cent in the decade to 1980: Despite this evidence of

adaptation, however, the report says there is concern about developed economies can mount the accelerated programme of productive investment which will be needed to replace plant ently obsolete by the higher oil prices.

1980 Total of above Total OECD Malor four European countrie Total OECD less U.S. Total OECD

GROWTH OF REAL GNP IN OECD AREA (% changes from previous period, seasonally adjusted at annual rates)

market orientated economy is not, however, straightforward." One of the main difficulties is that businesses tend to increase investment when they expect higher demand. With demand depressed, traditional policies would have sought to reduce under-utilisation of labour and equipment and so stimulate

further investment. "Soch an approach is not being pursued, mainly out of conviction that a significant part of any atimulus to demand would apprease public sector

"Stepping up the rate of deficits and dissipate itself investment in an essentially rather quickly as an increase in infiation, thereby proving ineffective in lifting output in a sustainable way."

> The Organisation says that partly as a result of resistant ioflation rales, and high real interest rates, "investment has so far shown little sign of the pick-up that is needed for recovery to be self-sustaiolog."

> \*DECD Economic Outlook number 31, July 1982. Subscription \$21.50, £9.60, FFr 96, from 2, rue André Pascol, 75775 Poris

#### Wider public sector deficits expected

By David Marsh

OVERALL PUBLIC sector deficits in the main indus-trialised countries are expected to worsen in 1982 and 1983 as sluggish economic growth raises government-spending and depresses tax receipts, the OECD says.

The general government balance for the seven largest countries la expected to be in deficit to the tune of 3.9 per cent of GNP both this year and next compared with 2.7 per cent in 1981 and 2.5 per cent in 1980. general balance incindes central, local and state governments and social security funds.

The main factor behind this trend is the large therease in the U.S. budget deficit, which is expected to rise-on a national accounts basis—from \$58bn in fiscal 1981 to \$135bn in fiscal 1982 and \$156bn in fiscal 1983, substantially above official intentions. In West Germany, Britain and Japan, some progress towards lower deficits is expected in 1982

#### the OECD average while productivity improvements to the France's are way above-almost same years will be among the slouble in 1983 at 14 per cent. best of the 19 countries.

show that real wage incomes countries had become more rose by 2.6 per cent in the UK in 1981 but are expected to rise by only 0.25 per cent this year aod 0.5 per cent next against an .OECD average of 1.3 per cent in 1981 and forecasts of 1.25 per

Real wage incomes are expected to fall in both years in Belgium and this year in Ireland, Norway and Sweden, term employment prospects,

cent for both this and next year.

BY ROBIN PAULEY

REAL WAGE incomes in

Reat labour costs in Britain are expected to continue to rise at a slower rate with 1.5 per per cent in 1983 compared with 1.5 per cent and 1.25 per cent for the OECD average.

Britain has one of the best productivity forecasts. After a rise of 2.7 per cent in 1981 the report predicts increases of 3.75 cent io 1983 compared with the OECD average of 1.1 per cent in 1981 followed by 1.25 per cent in 1982 and 2 per cent in

ductivity forecasts are better for this year and next, taken together, than those in the U.S. Japan, West Germany and France; although Germany has a very bigh forecast of 3.25 per cent for 1983 alone.

Hourly earnings in manufacturing are forecast to rise more slowly than the OECD average rate for the first time in 1983 forecast for Britain against 8 per cent for OECD Europe. - . . at 6.7a per cent.

Britain are set to rise more Germany all have figures sub-slowly in 1982 and 1983 than stantially helow Britain's in both 1982 and 1983, although

There were indications that The OECD's detailed forecasts wage behaviour in many responsive to labour market conditions and the financial pos-

itions of companies. In some countries there was consensus that real-wage moderate domestic inflation; in others there may be a growing real labour costs and medium-

ation since 1979 could be sustained or consolidated, they could help to reduce OECD inflation rates to near those provailing before the first nil crisis in 1074.

The shift towards more fracmented wage negotiations to accommodate local or specific increasingly important, particu larly in the U.S.

Recent sculements involving large, high-wave trade unions in depressed U.S. industries airlines, automobiles, meat packing, rubber and truckinghave resulted in major pay concessions by unions in return for greater assurances about job security and/or profit sharing.

A similar treod is apparent in the UK, the report says. where greater emphasis has the plant or company level.

Consumer price inflation is projected to fall to 7,5 per cent in the OECD area by the second per cent for the OECD and 9.5 for Brilain is below this figure

# Unemployment is forecast to increase further in Britain

UNEMPLOYMENT WILL continua to rise in Britain throughout 1982 and 1983. By the end of next year Britain will have ment level in Japan is three as that the highest level of uncontinuation of the property of employment for three consecuper cent throughout this year tive years of the seven main OEGD states—U.S. Japan West Germany, France, UK, Italy and

Labour market conditions have deteriorated consistently since 1980 and, by the second half of last year employment was falling in about two thirds of OECD states. But the labour force continued to grow at about 1 per cent per annum, leading

OECD trade prices in local

These volume and price

on-year fall in the OECD aggre-

combined with a projected de-terioration on invisible account,

could more than offset mildly

favourable terms of trade-de-

velopments. This would cause

the aggregate current account

deficit to widen further to about .

a \$20bn annual rate from the

The U.S. is projected to swing

from large surplus in 1982 to

deficit by 1983 and the large

UK surplus of 1981 could be

balved to £8.25bn this year and

remain fairly stable thereafter.

France, Italy and Canada may

register substantial deficits each year. Japan is expected to in-

crese its surplus substantially in 1982 and in 1983, and West

Germany is also expected to in-

crease its surplus throughout

. The most conspicuous changa

in competitiveness is in the U.S.

where the strength of the dollar since 1980, is projected to lead (on the assumption of stable ex-

change rates) to a 20 per cent decline in competitiveness by 1983. The cumulative loss of

market shares and of import penetration could amount to more than \$80bn at 1980 prices.

The UK is also projected to be

a serious loser because of ex-change rate induced competitive

A.B.N. Bank Allied Irish Bank .....

A.B.N. Bank 121%
Allied Irish Bank 121%
Amro Bank 121%
Hanry Ansbacher 121%

Arbuthnot Latham 12;%
Associates Cap. Corp. 13%
Banco de Bilbao 12;%
BCCI 12;%
Bank Hapoelim BM 12;%
Bank ef Ireland 12;%
Bank Leumi (UK) plc 12;%
Bank of Cyprus 12;%

Bank of Cyprus ...... 121% Bank Street Sec. Ltd. 131% Bank of NSW ....... 121%

Bank of NS.W. 121%
Banque Belge Ltd. 121%
Banque du Rhona et de
12 Tamise S.A. 13 %
Barclays Bank 121%
Beneficial Trust Ltd. 131%
Bremar Holdings Ltd. 131%
Brit Bank of Mid East 121%
Brown Shipley 13 %
Canada Perm't Trust. 13 %
Castle Court Trust Ltd. 13 %
Cavzer Ltd. 121%

Corinthian Secs. 121% The Cyprus Popular Bk. 121%

Duncan Lawrie ...... 121% Eagil Trust ...... 121%

Ext. Trust Ltd. 124% Exeter Trust Ltd. 134% First Nat. Fin. Corp... 15% First Nat. Secs. Ltd... 15% Robert Fraser ...... 13%

the next 18 months.

middle of 1982 onwards.

Employment fell so quickly in from the 1979 peak may exceed may turn out to have gathered currence during a recession.

The property of this year, including a recession.

The property of this year, including a recession.

The property of the second decline of 9 per cant in throughout the year in spite Europe that labour productivity continued to rise, an unusual occurrence during a recession. And in France, Britain, Ireland and the Netherlands produc-tivity grew faster in 1981 than in 1980 despite lower growth or an actual fall in GDP.

employment fell in 1981 by nearly 5 per cent—nearly twice the fall in GDP. The cumulative fall in European employment

Bonn sees

chance to

By Jonathan Carr in Bonn

rout critics

THE BONN Government seems

bound to bounce on the

OECD's highly positive pro-

economy next year, as ammu-

nition against its domestic

has been widely attacked on

the grounds that it is based

on an over-optimistic assump-

tion of 3 per cent real growth

as several economic experts have been arguing that growth will be markedly

lower, the state deficit higher

and government borrowing

However, the OECD actually

projects 3.25 per cent real

growth in the German eco-nomy in 1983 (after a real

1 per cent this year) along

with a 3 per cent rise in

consumer prices — the lowest

It also believes that a German

current account surplus this

year to \$2.25bn (£1.3bn) will

to \$4.75bn, thanks to a 1983

visible trade surplus of

achieved, it would be the

biggest trade surplus in West

bangs over the timing of the

economic upswing, and that almost everything will have to go right if the OECD's

projections are to be fulfilled. The OECD sees real GNP in

West Germany increasing by

2 per cent in the second half of this year and by 3.5 per cent in the first half of 1983.

Hambros Bank 121% Hargrave Secs. Ltd. ... 121%

National Westminster 124 b Norwich Geoeral Trust 124% P. S. Refson & Co. ..... 124% Roxburghe Guarantee 13 % Slavenburg's Bank ..... 124% Standard Chartered ..... 124% Trade Dev. Bank ..... 124%

Trustee Savings Bank 121%

TCB 121%
Uoited Bank of Knwait 121%
Volkskas Intl. Ltd. 121%
Whiteaway Laidlaw 13 %

Williams & Glyn's ..... 121%

Wiotrust Secs. Ltd. ... 124%

Members of the Accepting Houses

Committee.

7-day deposits 9.5%, 1-month 9.75%. Short term £8,000/12 month 12.1%,

17-day deposits on sums of: under £10,000 95%, £10,000 up to £50,000 10%%, £50,000 and ever 11%.

# Call doposite £1,000 and over 1 21-day deposits over £1,000 10-2%;

. Yorkshire Bank ......

National Westminster 121%

If the latter figure were

It is recognised in Bonn that a very big 'question mark

doubla next year

in the OECD area.

\$34.75bn.

BASE LENDING RATES

German history.

bigger than estimated.

The political opposition as well

The 1983 federal budget being passed by the Cabinet today

unemployed continues to rise. In Britain, 52 per cent of the nemployed in early 1982 had The report singles out been out of work for more than Britain's labour productivity six months compared with 39 performance as being "particularly noteworthy" because U.S., the number of long-term unemployed climbed from 11 per cent in 1980 to 17 per cent

Declining OECD employment and 18,25 per cent next year.

throughout the year in spite of GDP growth. The only bright note is that, on the basis of profected output. European employment should start to rise in 1983 along with the rest of

the OECD region.

The OECD is particularly gloomy about youth unemploy ment in the seven majo countries, where the rate is forecast

# The Alternative Approach to Banking

# THE HIGHER THE MANAGER/CUSTOMER RATIO THE FEWER

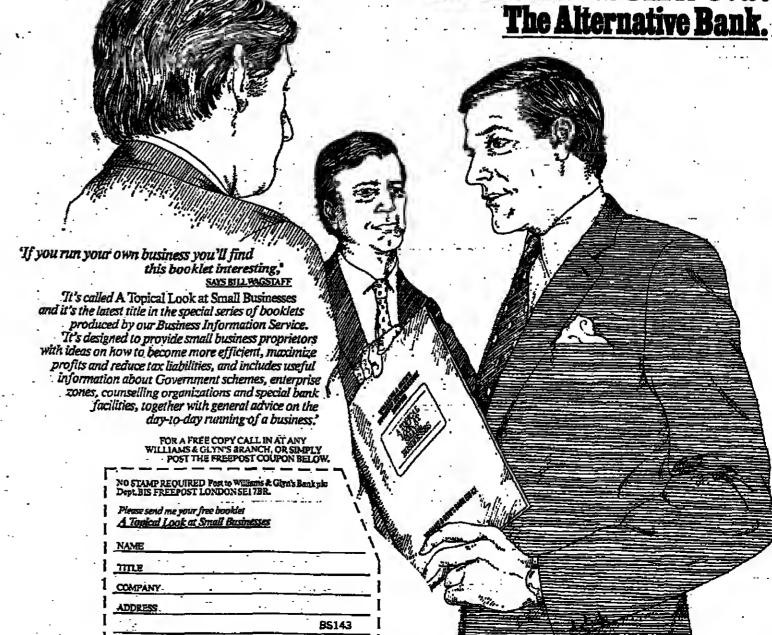
We have more managers per customer than the other main High Street banks. That, in our view, is the way it should be, and that's the way we aim to keep it. It gives us distinct advantages over other banks which new customers are quick to recognise; particularly business customers, for whom it is supremely ... important to have ready access to their local branch management at all times. And at all places. Our managers make a point of visiting customers on their own ground as often as possible, to make sure they have a really thorough appreciation of each . particular business and the kind of financial problems and opportunities that can be anticipated. -

And the time spent with our management can be that much

more valuable, too, because the tightly-knit way we're structured means that our managers in their turn have ready access to all our top banking specialists, who are always ready to attend meetings, give on-the-spot advice, and when necessary make on-the-spot

It all adds up to a whole new approach to banking, a refreshing change from the kind of branch management lethargy that is so often generated by ponderous pomposity at the top. So if you see your bank manager once in a blue moon, don't wait for the next blue moon, come and see us. We welcome

dissatisfied customers. ILLIAMS & GLYN'S XX The Alternative Bank.



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and the second 1.75 Walter St. Community . . . . .  $\cdot\cdot\cdot r$ 

#### Hong Kong corruption probe ends

By Robert Cottrell in Hong Kong

THE HONG KONG Government's independent commission against corruption bas concluded a five-month investigation into the affairs of Mr Uladein McInnes who resigned as the colony's commissioner of securities last October.

Mr McInnes was arrested in February this year and balled in his own recognisance. He has been on bail since then and has had to surrender his passport, though he has not yet heen charged.

The basis for bis arrest was Hong Kong's prevention of bribery ordinance, which sanctions the investigation of public servants apparently enjoying a standard of living above that comensurate with their official

The file compiled by commission invstigators will now be passed on to Hong Kong's Attorney Ganeral, Mr John Griffiths, whose offic will decide whether there are grounds for a prosecution.

The commission, established in 1974, answers directly to Hong Kong's governor and enjoys wide-ranging powers to corruption powers include arrest without warrant, detention of suspects for up to 48 hours and authorisation to examine hank accounts and safe-daposit boxes.

A controversial aspect of the commission's investigation of Mr McInnes has been its de-cision to disclose his identity in an official statement following person arrested and bailed at the same time as Mr McInnes has officially remained anonymous. The commission refused to comment yesterday on whether investigation of the other person had also been con-

Mr McInnes cited "personal

# Strike by 22,000 S. African Unease over white mineworkers averted

Although the unions agreed

As a result of the higher

offer, white miners will now receive an increase this year

percentage terms) to blacks.

Black mineworkers' wages are, on average, one-fifth of

However, blacks do not have

Africa's mines

about R28m a year.

colleagues.

A STRIKE by 22,000 white legal work stoppage on South creases are decided solely by South African mineworkers was averted yesterday when mining bouses and militant trade unions agreed on a compromise settlement to their wage

The Chamber of Mines and the unions agreed on a 12 per cent wage increase as well as a R200 (£105) benus to compensate workers for the late implementation of this year's wage

The unions had originally demanded 15 per cent, while employers were not prepared to go higher than an offer of 9 per cent. The increase applies to gold and coal mines.

As a result of the settlement, the strike ballot called by the unions for today has been cancelled. There is little doubt that had the ballot gooe shead, most white miners would have voted

employers. The mining companies' decito a lower increase than they sion to compromise appears to initially demanded, the settle-have been influenced by the ment is a clear defeat for the intervention last week of Mr mining houses who had insisted. F. W. De Klerk, Minister of that neither they nor the Mineral and Energy Affairs, national economy could afford a who urged both employers and double-digit wage increase. The unions to settle their differences 12 per cent rise will cost them in the interests of South Africa'

Mr Johan Liebenberg, the chamber's labour adviser, said yesterday that employers had of black workers, thus ending more than a decade of substantially higher was a substantially higher wa

after a wildcat stoppage at the Venterspost gold mine at Westonaria west of Johanneson average, one-must burg paid to their whita burg.

Venterspost is the third mine

managed by Gold Fields of had the ballet gooe ahead, most the advantage of aggressive South Africa at which unrest white miners would have voted trade unless to negotiate on among black workers has been in favour of a strike, the first their behalf. Their pay in-reported in the past five days.

# Cabinet reshuffle for Pretoria

BY BERNARD SIMON IN JOHANNESBURG

THE TRANSVAAL leader of moved to the new portfolio of South Africa's ruling National constitutional development. Party, Mr F. W. De Klerk, has He will be responsible for been promoted in an extensive Cabinet reshuffle announced by Prime Minister P. W. Botha

yesterdsy,
Mr De Klerk, 46, at present
minister of mineral and energy affairs, is to take over the internal affairs portfolio, a key political post which includes administration of the coloured (mixed race) and Indian commuoities, censorship faws and race classification.

Mr De Klerk is frequently mentioned as a possible future Prime Minister.

The present internal affairs grounds" as the reason for his minister, Mr Chris Heunis, who resignation from the post of is a confidant of the Prime

He will be responsible for implementing the recent pro-posals of the President's council, which aim to give limited political powers to coloureds and Asians.

Mr Da Klerk took over the reins of the National Party in the Transvaal last March after the defection of Dr Andries Treurnicht, now leader of the ultra-right wing Conservative

The only minister dropped from the cabinet in the latest reshuffle is Mr Hendrik Smit, minister of posts and telecommunications.

Mr Smit raised a storm two securities commissioner last Minister and one of his most years ago by referring to blacks



Chris Heunis . . . infinential supporter of the PM takes the new portfolio of constitutional

# **ALLIED IRISH BANKS** REPORT ON A DIFFICULT YEAR.

Summary of Group Results

1982 1981 **IR£m** IR£m 52.9 **59.4** Profit before tax 38.5 Profit after tax PENCE PENCE 29:8 35.4 Earnings per share 8.5 8.0 Dividend per share **IR£m** IR£m 361.7 294,8 Capital employed 4492.2 Total assets: 5105.9

Extracts from the Statement by Niall Crowley, Chairman of the Board.



Mr. Niall Crowley, Chairman.

#### Results

-Pre tax profit increased by 12%.

—Profit after tax and levies declined by 2%.

-Levies amounted to £9.3m.

Current cost profit £28.5m before tax, £7.5m after tax.

#### Significant

**Developments** 

Diversification through investment in insurance and shipping.

-Further expansion internationally.

-\$100m raised by way of floating rate notes.

#### Role of the Banks.

-Key role of the banks in the economy often overlooked. Banking levies an attack on pivotal sector of the economy.
 AIB supporting productive sectors of the economy in difficult times.

Annual General Meeting at Group Headquarters Bankcentre, Ballsbridge, Dublin 4 on Tues. 13th July 1982 at 12 o'clock noon.

For copies of Report and Accounts and Chairman's Statement write to the Secretary, Allied Irish Banks Ltd. P.O. Box 452, Bankcentre,



# Australian Labour plan for uranium

By Michael Thompson-Noel in

GROWING nervousness in the Australian Government over opposition Labour Party plans to clamp down on uranium exports if it came to power surfaced last night wheo Mr Doug Anthony, the Deputy Prime Minister warned that Labour policy could "shatter" ties with Australia's allies and trading partners.

He was speaking on the eve of 'today's debate on nranium policy at the Labour Party's national conference in Canberra Mr Anthony, who is also

the Minister for Trade and resources, urged Labour to jettison its declared policy of rejecting all existing uranium contracts should it gain office. The Labour leader, Mr Bill Hayden, has also worked feverishly to press for an end to Labour's hard-line uranium policy. Together with party moderates, he is seeking a new draft policy that would remove the controversial repudiation clause, but toughen proposals on safety. But he is under pressure from left-wingers.

Reported Australian mine production of uranium oxide last year was 3,373 tonnes, almost double that of 1980. Mr Anthony said in Canberra last night that present Labour policy on uranium was based on primitive ignorance and

The Deputy Prime Minister said Australia's safeguards were as stringent as those were as stringent as those anywhere. He said it was clear Australia had an obligation to supply uranium to the rest of the world, and said the Labour Party's credentials would be worthless unless it revised its policy and supported the uranium industry.

#### Fighting flares on Gulf warfront

Fighting has flared up again on the southern front of the battlefield between Iraq and Iran. Heavy artillery exchang were reported by both sides yesterday around the towns of Khorramshahr, Basra and Abadan on the disputed Shatt al-Arab waterway, our foreign staff writes. The new fighting follows the announcement by Iraq last month of a unilateral ceasefire. Iraq also said then it was pulling its troops out of the remaining Iranian territory it had captured during the 22 months of fighting after a series of Iranian victories in the Gulf war.



# Israelis stand guard over Beirut's lifelines

BEIRUT Three Israeli soldiers with automatic rifles, sleeping hags and food cookers stood guard yesterday in the control room of the power station where a flick of the switch could restore electricity to west Beirut.

Soldiers were also seen in the control room of east Beirut's Karantina electricity distribution centre, which regulates the power flow to Palestimian-controlled west Beirut.

West Beirut, the last hold-out of Yasser Arafat and his Pales-tine Liberation Organisation. been without electricity and running water since Sunday afternoon and running water since Monday.

Lebanon's Minister of Hydro-electric Resources, Mahmoud Ammar, said: "I want to confirm it was the Israelis and no one else who did this. They did it by force. We are telling the truth. If the Israelis say they have not shut down power, they are lying.

Mahmoud Ammar, a Shiite Moslem known for bis anti-PLO views, said be bad filed a complaint with the Lebanese foreign ministry, which be said was relaying it to the United Nations and to U.S. Presidential envoy Philip Habib, who is in Beirut as a key intermediary Ammar and Musbah Natour,

the electricity company's direc-tor general, said Israeli soldiers entered the Karantina power control station on Sunday and ordered Lebanese workers to throw the switches that blacked out west Beirut.

Jews, also claimed that press reports of growing Israeli opposition to the war in Lebanon were exaggerated. He said the departure of Mr Yasser Arafat from Beirtt was "inevitable" and that it would be welcomed by the "vast majority of in Lebanon and

British

Monday in East eBirut said

Monday in East eBirut sand
Christians and Moslems
whom he met there had
criticised Israel for not
invading the Lehanon "hut
for taking so long about it."
Mr Greville Januer,
Labour MP for Leicester

NW and president of the

Board of Deputies of British

Parilament

west Beirut, Ammar said Israeli soldiers shut off the valves that channelied water to the Moslem half of the city. He said it bappened on Monday afternoon, "Israeli soldiers arrived a

the Ashrafiyeh water station and forced their way into the pumps. They shut the valves and dismantled the wbeel, then bauled the wbeel away. It is like the key and the Israelis have it." Ammar said. An Israeli military spokes

man in Lebanon yesterday abandoned his previous denials that west Beirut bad been blacked

Col Paul Kedar, an Israeli army spokesman, said his denial of Monday "no longer applies ... we are in a fluid situation." At the pumping station that But be refused to confirm that controls the gravity-fuelled Israelis were responsible for flow of water down the bill to the power cut.

Michael Holman in Luanda on the negotiators' groundwork

# A charter for Namibia talks

demonstrate the impartiality of fire and elections in Namibia finalise the number and com-position of a UN military force io the territory, have been put forward by the five-nation Western contact group seeking to negotiate a settlement in the

Informal talks were due to begin in New York yesterday to finalise details of the settlement process, on the basis of a docueirculated hy senior officials of the Western five — the U.S., Britain, France, Canada and West Germany on a visit to southern Africa last month.

The three-page document is headed "summary of points presented by contact group mission, June 1982." It begins with an optimistic assessment of the prospects for the Namibia settlement negotiations now in their fifth year:

Opportunity for rapid com-pletion of negotiations: Recent meetings with the par-ties concerned have shown a will to move ahead rapidly on the negotiations for Namibian independence. The possibility exists for implementation of UN Security Council Resolution 435 to begin within a few monitus and elections to be held by March or April 1983.

"Constitutional principles: The contact group new believes that the constitutional principles, with the exception of the electoral system, can now be con-sidered settled. The contact group will report to the UN Secretary General that the prineiples bave been accepted, with the exception of the electoral system, which should be settled in accordance with the provisions of Resolution 435.

The previous proposal of a mixed electoral system will not be pursued further. "The UN Transitional Assistance Group (UNTAG): Resolutioo 435 and the UN plan

remain intact, including the authorised upper limit of 7,500 UNTAG. The UN secretariat must be consulted and satisfied on all matters relating to

deployment levels. Success in satisfactory

Zambia, given that UNTAG will be monitoring the restriction of South African Defence Force (SADF) forces to base in

Namibia Monitoring in Angola and Zambia would permit the elimination of the demilitarised zone (DMZ). The elimination of the DMZ would in turn permit some reductions in the size (and cost) of the operation, without impairing UNTAG's ability to perform its assigned

There is merit in establishing, under the auspices of the UN special representative and the Untag military commander, a mechanism for liaison between the commanders of the various military forces to deal with raports of alleged ceasefire violations.

Impartiality: We believe the impartiality problem can be dealt with in the following manner: ● A Security Council reaffirmation of impartiality rather

than a specific UN General

Assembly resolution. An understanding between the five, Swapo, the Front Line states (in Southern Africa) and South Africa that UN activities which run contrary to Resolution 435 should out continue.

Restriction of the number speakers at the Security Council meeting beld

authorise implementation Resolution 435 and at the General Assembly session held to authorise the funding of Untag. This understanding should include the point that This understanding no participant in the elections should speak. A valuable opportunity now

exists to achieve a settlement Namibia. which would resolve other longstanding problems of the region at present bindering the for the military component of development of the climate of should provide the Uniag security and mutual confidence necessary for a Namibia settle-

Thesa issues do not fall under There is a need to resolve Resolution 435 nor are they part tingent, so they can provide leployment levels. Success in of the mandate of the five. But "diplomatic and political backthe governments of the five in-

to arrangements will depend on dividually share the view that some adjustments being made action on these problems would the UN as supervisor of a cease- in carrying out UNTAG's tasks. do much to advance and facili-The most important adjust- tate a settlement of Namibia (South West Africa), and to ment, on which concurrence is within the time, frame we needed, is the concept of unitarity of the restriction of armed Swapo personnet to base in Angola or while in itself in bringing peace and contributing to economic development in the area. and contributing to economic development in the area. Next Steps: Agreement

needed on how to proceed rapldly to resolve the outstanding issues related to implemen tation of Resolution 435. This could be done by the five presenting detailed papers on the above issues.

Alternatively, if there is agreement in principle on the ldeas proposed above, there could be talks in New York, or another agreed place, among representatives of the parties concerned and the UN Secre tariat designed to reach final Conclusion: Speedy informal reactions would be most belpin maintaining

momentum Particularly important are: Concurrence in principle with the concept of monitoring of Swape bases in Angela and Zambia.

 Your reaction to our ideas on how to follow up these con-sultations quickly in order to resolve the outstanding ques-tions related to implementation of Resolution 435.

Since the document was circulated, it is understood that Swapo, Angela and Zambia have egreed to the Western proposals for monitoring Swspo guerrilla hases in those countries. Mг Hidipo Hamutenya

Swapo's Secretary for Information attending the New York talks, also confirmed that the impartiality formula is acceptable while South Africa is no longer insisting on repeal of the UN General Assembly resolution which recognises Swapo as " sole authentic representative " of the people of

He also said that South Africa had dropped its demand that the Western contact group troops. For its part, Swapo wants to exclude both contact group and front-line states' personnel from the military condiplomatic and political back-

#### Australia splashes out on pools at home

By Michael Thompson-Noel in

FLY IN to Sydney's Mascot Airport and you descend over the vast chlorinated reaches of the city's western suberbs—chlorinated, because almost no major city in the world, other than Los Angeles, boasts so many swimming pools.

From the air, it seems that almost every garden in every crowded suburb hosts its own dinkum swimming pool, a testament to the fact that the Australian swimming pool market has escaped the full impact of the full impact of the recession. It is not nearly as depressed as the Australian

construction business generally, which has seen bomehuilding approvals so far this year reach a seven-year low, and which is having to contend with the cost of the industry's newly introduced

38-hour week.

In the next 12 months, the construction industry is due to tackle projects worth more than A\$13hn (£7.64bn), though according to the latest calculations, the additional cost of the 33-hour week could be as high as A\$1.95bn annually. Also, the building trades unlons have already indicated that they intend to indicated that they intend to press for a 36-honr week.

But swimming pool manu-facturers will probably be cushioned from this as the main impact of shorter working hours is likely to be felt in the commercial construc-tion field. In the housing sector, the effect is likely to be subdued, for most new homes are built by self-employed sub-contractors who do not adhere strictly to the building trades' award.

Certainly there is little realim. anguish in the swimming pool sector, though in Sydney this year, home-owners are likely to install about 4,500 pools, against 6,000 to 7,000 normally. The market is more buoyant in Melbourne, probably because bouse prices, and thus mortgages, are lower than in Sydney.

It is a crowded sector. The swimming pool section of the Sydney Yellow Pages covers several thousand enterprises engaged in pool excavation and design, construction, reconditioning, cleaning, maintenance and heating.

The market leader is mitual Pools, which has sub-

sidlaries in New South Wales and Victoria-Sydney and Melbourne being the two main markets. In the past 20 years, Mutnal has installed more than 21,000 pools. At present, Mutnal is building and installing a little under 100 pools a month.

The marketing is quintessentially Australian. The Mountain Lagoon, Boomerang and Billabour. The Billabong, for example, aims to re-create a bushland setting complete with manmade rocky outcrop and cascading waterfall, patented concept developed by Mntual whose natural look and style, the company claims. " will be the appearance of swimming pools into the 21st

century." Mutual operates in the middle and upper market segments. Its prices range from A\$7,500 (£4,400 to £29,400), with an average of A\$10,500. It em-ploys 300 people, and is turning over A\$12m a year in domestic swimming poois

The pool makers are constantly improving their methods of construction, bowever, so that for around A\$1,000, customers can now buy a fully automatic system that self-filters, self-beats, self-cleans and aelf-chlorinates indeed, according to

ates—indeed, according to one industry official, it almost whistles "La Bohème."

Although the upward Australian interest rate spiral has alackened slightly, the recession in the home-building industry continues to show the official Garres. The sayings official figures. The savings hanks and building societies are calling for full deregulation of interest rates, as recommended by the Campbell Committee inquiry into the Australian financial sys-

In Sydney and elsewhere, housing developers bave taken to offering sweeteners, as low-cost aridging loans. Many of the new twobedroom apartments being built within five miles of Sydney's central business district cost a minimum of A\$120,000 with one-bedroom units starting at A\$90,000. Even before the present rise in interest rates, an A\$70,000 home loan was costing about A\$815 (£480) a month.

For Mutual and its competitors, however, there is some comfort in the fact that residential property owners bave made huge capital gains in the past four years.

As long as interest rates remain steady, or even show a fall, there could soon be a pick-up in home-building, and an even stronger splashing in the home pool sector. In normal times, pool huilders can rely on a total Australian market of about 18,000 units annually, which is nearly a fifth as large as its U.S.

Germa 'ens' n inon

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# Argentina devalues peso by 21% in reflation package

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA YESTEDAY announced a 21 per cent devaluation of its currency, the peso, as part of a package of measures dollars in expectation of a aimed at reactivating a crisis steep rise in inflation, which it torn-economy, and soothing is thought could be as high as political and social pressures.

Initial reaction from the Year.

opposition parties remained. The Central Bank also wants opposition parties remained muted as the Economy Ministry hetd back from immediately detailing salary increases. Across the board increases of over 20 per cent have been widely predicted.

A two-tier exchange rate policy dropped by the formet government of Gen Leopoldo Galtieri last December, has been resurrected. Commercial rate, used for physical trade transactions and therefore of great importance to Argentine husiness was officially pegged of 20,000 pesoa to the dollar, compared with last Friday's closing quotation of 15,750

On Monday, banks and a lengthening of terms of bank exchange houses were temporarily closed in anticipation of Signs that Argentina may the move. They reopened be adopting a more pragmatic yesterday in an atmosphere of approach to foreign policy, in considerable confusion, given the initial absence of an official quotation for the financial rate which applies to small investors emerged yesterday.
and tourism.
In a letter to President
Exchange houses received Ronald Resgao, the new Argen-

phone calls from the Central tine leader Gen Rinaldo Big-Bank telling them that the none said that a normalisation financial rate could be set at of relations with the U.S. was about 25,000 pesos to the a "desirable objective," and

However by yesterday after-noon, they were holding back from full trading, as they waited for official confirmation that the current ban on the sidered a "de facto cessation buying of dollars had been of bostilities" in the South

Government hesitation in lift ing exchaoge controls stems from fears of panic-buying of 400 per cent by the end of the

to avoid intervening in the markets at a time when its reserves are dangerously low. in a nationwide broadcast or Monday oight, Sr Jose Maria Dagino Pastore described Argentina's current economic crisis as a "national emer-

In what amounted to a significant distancing from previous administrations, Sr Pastore blamed free-market policies for the baokruptcy of industry and

rising unemployment. Much as expected the new measures include a refinancing scheme for domestic industry.

spite of previous threats that the Fatklands war might force it to break with the West,

of relations with the U.S. was a "desirable objective," and asked Washington to lift its sanctions against Buenos Aires. On Monday, the new Foreign Minister, Sr Juan Ramon Aguirre Laoari, said he con-

Atlantic had been achieved.

Caracas seeks settlement

BY KIM FUAD IN CARACAS

DR LUIS HERRERA CAMPINS. Venezuelan President, wllt name a national commission date back to the 19th century. this week to advise the Government on toe forthcoming foreign policy and indicated negotiations with Guayan on Venezuela's claims to two-thirds of Guyanese territory.

The foreign policy and indicated the negotiation with Guayan on that Venezuela was seriously contemplating joining the movement of non-aligned

ment would seek a negotiated settlement of the claims which Dr Herrera also defended his During a Venezuelan independence day address yesterday.

Dr. Herrera said his Govern moment.

#### More jobs in services than U.S. industry

By Anatole Kaletsky in Washington

EMPLOYMENT In service industries rose above employment ln production in April this year for the first time in U.S. economic history accord-ing to statistics published by the Labour Department.

Finance, insurance, real estate and service industries employed 24.3m people in April. compared with 24.0m in manufacturing, mining and construction,

Other sectors, including wholesale and retail trade, utilities, transport and government, employed 41.6m. Despite the recession, which has caused steep falls in manufacturing and construction employment, many con-sumer and service industries

have continued to increase their workforces throughout the past year, Health care bas produced the higgest growth in job opportunities for most of the past 10 years, Between April

last year and April this year. health care employment in-creased by 235,000 (4.3 per cent) to 5.7m. Other smaller service industries have grown even more rapidly in percentage terms. Legal services increased hy 32.700 (5.8 per

cent) to 552,000 and account-ing rose by 19,000 (5.4 per cent) to 358,000 in the year to April. General business services and finance experienced much slower growth rates of 1.5 per cent and 0.8 per cent respec-

Production industries have declined rapidly while the service industries have expanded. Over the year to April, manufacturing employ-ment fell by Llm (5.5 per and construction was down by 387,000 (9.2 per cent).

The Bnreau of Labour Statistics said that while the sharp declines were dne to the recession the general trend to labour saving investment in manufacturing would ensure that the relative decline in productive employment continues after the recession, William Chislett examines the plight of a poor Central American democracy

Crucial year for desperate Honduras THE economic plight of high. The country has an Honduras, the poorest demo- annual per capita income of

provide the income to meet the revolutionaries are in power. country's external debt pay-

Last year, bananas, the country's main export, earned strain (£124m)—one-quarter of country is at present remark-total exports—interest and ably calm. There are fears, how-principal payments on the ever, that the Government's st.4bn deht were \$220m. This economic policy could erode year, thanks to low world com-modity prices and high international interest rates, the gap year. will he much wider.

of President Robert Suazo Cordova, the first freely elected then, it has embarked on a delicate path of cutting public national economist. expenditure, raising prices and The Government

cracy in the Western hemis- \$565, the lowest after Haiti. It phere, is now so desperate that is bordered by El Salvador and the millions of boxes of bananas Guatemala, two countries shipped abroad hy the Central experiencing violent revolution, American republic no longer and by Nicaragua, where the

Honduras is the eye of the political hurricane sweeping through Central America and like the eye of a hurricane, the

Zero growth meant last year's The new Centrist government per capita income fell by 3 per f President Rohert Suazo cent. The sight of children sleeping curled up in doorways civilian government in 10 years, in Tegucigalpa is Increasingly took office in January. Since common. "It is like watching a Greek tragedy," said an inter-

The Government, however, pushing the economy deeper has no option but to tighten into recession in the hope of the country's belt. Low world preventiog economic collapse. prices for its commodity prices for its commodity exports, the crushing burden of Last month Honduras negotiated exports, the crushing burden of an 18 months' standby credit high oil prices and high interwith the International Monetary national interest rates, large Fund for up to \$150m. It is outflows of capital, estimated at outflows of capital, estimated at possible that the deht will have to be rescheduled.

The stakes of pursing monetarist policies in Honduras are vously watching the country.



bave combined to empty the

The lempira, the Honduran currency, which has traded at two to the dollar for the past 50 years, has been effectively devalued by 25 per cent on the emerging black market where is trading at 2.50 to the

year is \$48m, only \$700,000 more than 1981. Military assistance is \$10.6m, an increase of \$1.5m. In addition, Honduras will receive \$35m under the U.S.'s Caribbean Basin development. ment programme (CBI) where-as El Salvador is scheduled for \$128m uoder the CBI The ontgoing military govern-

ment asked Washington for \$100m in aid this year. But, shortly before taking office, the new Government was told by the U.S. embassy in Honduras. which prepared a draft economic programme for the Government, that "any special economic assistance would be In the context of the CBI and would be oriented towards augmenting credit available to the private sector, not budget-

Ten years of military rule have also increased ill-afforded defence spending. The 15,000-strong armed forces are back In their barracks, but one-fifth of the budget still goes on

The fiscal deficit is the central problem. Last year's current account deficit of \$235m was 10.5 per cent of \$2.7bn gross domestic product.

dollar. The embassy document,
U.S. aid to Honduras this which has served as the basis for the Government's own pro-gramme, recommended a strong dose of what has been termed "Reaganomics for the Third

World."

Measures include the divestiture of non-productive state enterprises such as Conadi, the industrial development corporation which over-extended itself of the Salvadorean guerrillas. A store owner, busy selling thousands of candles, said if was the fault of the Salvadorean guerrillas. A store owner, busy selling thousands of candles, said if was the fault of the Salvadorean guerrillas. A store owner, busy selling thousands of candles, said if was the fault of the Salvadorean guerrillas. A store owner, busy selling thousands of candles, said if was the fault of the Salvadorean guerrillas. A store owner, busy selling thousands of candles, said if was the fault of the Salvadorean guerrillas. A store owner, busy selling thousands of candles, said if was the fault of the Salvadorean guerrillas. A store owner, busy selling thousands of candles, said "Honduras is not to blame for what is happening in El

building up cement and other industries.

Toere is little domestic unrest in Honduras at the moment, although the unions are becoming restless as unemployment grows and the peasants are frustrated at the slowing down

of the land reform programme, The guerrilla groups in Honduras are tiny, with a limited following. However, the involvement of Honduran troops involvement of Honduran troops in support of the U.S.-backed army in El Salvador fighting left-wing guerrillas prompted a bomb attack late Sunday night on two power plants which affected Tegucigalpa. Sixteen people were killed in the attack, which brought the city to a halt for 12 hours and caused an estimated \$20m-worth of

\$20m-worth

The group, calling itself Froylan Turcios — after a Honduran left-wing writer of the earty 20th century—claimed responsibility and said it was a protest against the Honduran army's involvement in Ei Salvador's civil war. Residents of Tegucigalpa said it was the

estimated

#### Nuclear accident risks 'higher than first thought'

BY CHRIS SHERWELL IN WASHINGTON

overseeing nuclear safety in the U.S., bas sharply reassessed the risks of a serious accident at nuclear plants in the

released analysed 19,400 mis-haps hetween 1969-1979. It picked out 169 for detailed review and found that 52 were "significant" — that is, polential contributors to a melt down of the nuclear core of

The study concluded that the tikelihood of a major accident was one in a thousand years of reactor operation. The country acquires a thousand years of reactor operation experience every 10 to 20 years, according to estimates.

Previous assessments, notably the Rasmussen report, have put the chances at about deprivi-one in 20,000 years of opera- power.

THE Nuclear Regulatory Commission, the official agency resulting in core damage would require a series of failures in sequence.

The latest assessment may already be out of date, however, because changes made in nuclear reactor operations since the Three Mile Island accident in March, 1979 are thought by the commission to have reduced the chances of a serious acci-

The commission's own target safety level is one in 10,000 years of operation.

Accidents studied by the commission typically involved: loss of the feedwater which is turned into steam to generate electricity; loss of reactor coolant, leading to overheating; breaks in the main steam line; and loss of electricity from outside the depriving safety systems of

#### De la Madrid polls 74% of votes cast

By Ronald Buchanan in Mexico City

Sr Miguel de la Madrir of Mexico's ruling Partido Revolucionarin Institucional (PRI) so far has 74 per cent of the votes cast in Sunday's residential elections. Some 73 per cent of the votes have

As a result, he is likely to hecome the first PRI presidential candidate to be elected with less than 30 per cent of the vote. However, Sr de la Madrid did face a record six apposition candi-

It is estimated that 76 per cent of the 31.5m electorate turned out, compared with 50 per cent at mid-term elec-tions in 1979. Sr Pabla Emilia Madere, of

the right-wing Partide Accinn Nacional (PAN) is assured of second place with 14 per cent of the votes cast.

#### **Effectiveness of Maverick** missile questioned

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

agency has raised major question marks over the \$50n (£2.9bn) advanced Maverick airto-ground missile programme.

In a report designed to check the effectiveness of Pentagon weapons testing the General Accounting Office (GAO) says there is no evidence the missile can be used effectively by U.S. military personnel in combat".

Deficiencies

The GAO says delivery of the missile to the air force should be held back until deficiencies have been corrected. In par-ticular, it questions the Maverick's ability to fulfil its tank-killing mission at night and in adverse weather.

A CONGRESSIONAL watchdog 200 of the missiles from Hughes Aircraft as a possible first sie: towards buying a total of 61.000 to replace the original daytime only version. The GAO says more tests should be carried out even before the first 200 are ordered.

> The report says that even under very favourable testing conditions the missile had only "limited success". It questioned whether in actual combat pilots could distinguish a friendty from a hostile tank at the "stand-off" range from which the missile is meant to be fired.

The report says that tests so far have not proved that the missile cannot be deceived and defeated by objects such as sunwarmed rocks, burning battlefield wreckage or deliberate The Pentagon is to decide countermeasures, such as the next month whether to purchase firing of a tank cannon.

#### WORLD TRADE NEWS

SONATRACH'S LNG SALES CONTRACTS JULY 1982

Estimate. + Due to start this autumn. ! Due to start this autumn

Start up

1982

TOKYO'S TELECOMMUNICATIONS PROCUREMENT PROGRAMME

# U.S. groups vie for Japanese state deals

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

MOTOROLA and American companies to seek participation and ill of the orocurement system. The total annual value of in Japan's recently liberalised tem since the system was its Track I purchases is around relecommunications equipment liberalised at the heginning of Y300bn.

procurement programme.

Motorola has been short-listed as one of five companies from which Nippoo Telegraph and Telephone—the state telecomfact that it spends some Y 800bn Telephone—the state telecom-munications concern—may de (£1.8mn) per year on procurecide to buy mobile telephone ment. The liberalised procurecouldment under what is known 25 Track III A of the NTT pro- last year provides for three didate for joint development known as Tracks I. II and III. with NTT of an echo canceller. NTT expects to decide with procedure include equipment in the next few weeks whether not directly related to telecomto accept the ATI't application munications such as facsimile phone equipment until the

Hong Kong

rail contracts

won by Aoki

the first two foreign electronics firm applications under tracks II

Until the cod of 1980, NTT

ment system introduced early

TRUNKLINE LNG and the The start up date for TOKYO — Aoki Construction of Japan said the Hong Kong company, subsidiaries of the last August but Sonatrach has

total of Y28bn (£63m) to the bid to resolve a dispute with started last Angust. Panhandly Japanese concern for work Sonatrack, the Algerian state on its new subway line on oil and gas monopoly.

They have filed documents British Thermal Units BTL.

They have filed documents

an annuat volume of

The orders concern the con- with the arbitration court of this price would have decline struction of the Pak Sha wan station, rail car depots, and transformers, and wall be to force Sectional This price would have decline to \$3.92 per million ETU after July 1, 1952, as the escription

(MTRC) has awarded con- have decided to resort to

struction contracts worth a international arbitration in a

trensformers, and will be to force Senatrach to honour part of the Y250on third a liquency natural gas (LNG)

phase of the MTRC's subway contract signed in 1975 and project, it said.

Transit Railway Corp U.S. utility, Panhandle Eastern, claimed the delay was due to

It says that Motorola and der. NTT says it has purchased Telephone and Telegraph Inter- ATTI are the only two foreign about Y4.7bn worth of Track I national (ATTI) have become companies that have submitted equipment from a total of 49 foreign companies over the last

> Items hought under Tracks II and il are directly related to telecommunications and—in the ease of Track Itl-have to be developed to meet NTT specifications. NTT says that the receipt of only two firm applications from foreign companies for participation in Tracks II and tit may reflect a lack of understanding of the Japanese approach to "joint develop-

When NTT needs to buy tele-These are now being purchased market it nominates at least through a system of open ten- two companies as participant in documents were bought or 170 entity.

"mechaoical problems."

Had the delivery of LNG

to 83.92 per million ETU after July 1, 1982, as the escription

clauses in the contract the the price of gas, to some extent, to

that of crude.

phase of the saled.

approved in 1911 by the project, it said.

The contracts bring total con- Algerian Government and the dispute between Sonatrach and Excher this year, months struction orders to Japanese: U.S. Federal Energy Regulatory a foreign buyer of gag is point. Sonatrach and France signed struction orders to Japanese: U.S. Federal Energy Regulatory a foreign buyer of gag is point. Sonatrach and France signed to international architecture, one of the world's largest LNG contracts, for the supply of

Algerian gas dispute taken to arbitration

own technical specialists exereise final control. Foreign companies have been wary of wishing to participate in any entering such programmes, NTT of the programmes will be says, because of a refuctance to share their technical secrets.

After realising that foreign companies were reacting cautiously to its Track III procurement programme NTT March 1982 to explain how the system worked. It was after this the corporation says, that ATTI applied to participate in the Track III programme for echocappelling couloment.

The first published information on NTT's Track II and has will not be in a position to machines, data terminal equip-communication, equipment that III requirements was made claims that its efforts have yet award contracts for mobile tele-ment, measuring instruments, is not readily available on the available last August — in to be matched by any major

Importer

Gaz de France Gaz de France

Gaz de France Eragas (Spain) Distrigas (U.S.) Trunkline (U.S.)

pending agreement

Sixteen months at labs contracts, for the supply of netween Sonatrace and El Pres 9.15m cubic metres of gas a

Gas of the U.S. collagged be- year from Algeria.

Distrigasz (Belgium)

a joint development programme companies of which 131 were over which the corporation's foreign. This year the equivalent documents will be published in English, but foreign companies required to submit applications in Japanese. A number of foreign companies, including ITT. GTE, Mitel and Lorm have already qualified to take part in bidding for PBX digital

systems-under Track I-in the

Although it admits that only "modest" progress has been made to date in implementing the new liberalised procure ment procedures, NTT says that foreign participation in the programme should grow stendily. The corporation also Western telecommunications

(bn cu m)

#### quits **Brussels** textile talks By Giles Merritt in Brussels

S. Korea

DEADLOCK in the key negotiations an EEC textiles imports under the Multifibre Arrangement (MFA) has resulted in a decision by South Korea in gult the Brussels negotiating table.
The adjournment by the Seoul Government of the talks until this autumn is the sixth such move by a major MRA signatory in recent weeks and is a further setback to the Commission's European chances of securing a series of restrictive textile import

deals for the period up until The departure of the South Korean negotiating team comes hard on the heels of the recent announcement by the Philippines that it is tem-porarily shelving its hilateral MFA discussions with the

Brussels Commission.
It also follows decisions by India, Hong Kong, Maiaysia and Singapore in npt for "second round" negotiations with Brussels in September, by which time it is hoped that the EEC hardline position on its MFA terms will have

softened

In addition to the withdrawals by those six countries' delegations, Hungary, Czechoslovakia and Romania have also recalled their negotiators recently for a variety of reasons and will he seeking further talks no their MFA terms. European Commission officials say, he ever, that although the EEC has met determined opposition to its textiles position, a number of MFA pacts are also being concloded.

Pakistan and Sri Lanka have provisionally accepted the EEC's demands for anti-surge, hasket extractor and anti-frand mechanisms in bilateral pacts under MPA III, as have Uruguay and Peru, with Poland expected to initial its acceptance shortly. By September of this year the Brucelly marking the Brucelly marking in Brussels negotiators expect some 7 in 10 such deals to have been struck.

The EEC officials were also making It plain that even though its talks with the MFA hardliners" have so far resolted in deadlock with six FFT 27bn went to export strong exports with the Airbus

# High cost fleets 'will lose more ground to low-wage operators'

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE HIGH-COST fleets of dry cargo markets to low-wage operators such as those in the Far East, Drewry Shipping Consultants forecast yesterday. "Northern European and even Greek shipowners will find t more difficult to run profitable shipping operations," London-based Drewry said in a major study of bow inflation

has affected the international dry cargo business. Drewry said the 1970s had exposed the traditional exposed the traditional shipping nations to new and acute inflationary pressures and growing competition from emergent shipping regions.

The gap between the high-cost flags of Britain, Norway and Sweden and the low cost nations of the Far East was widening steadily especially in

widening steadily, especially in terms of manning costs, it Since 1973, manning costs had more than doubled. By the end of last year, average manning costs for a typical

European dry cargo vessel were \$2,600 (£1,444) a day. For a similar ship with an Asian crew, the average was some 40 per cent less at \$1,600 or so a day.

Drewry reckoned that the

need to cut costs and secure access to overseas markets and cargo producing areas would further crode the north European presence in bulk shipping

"Demand for dry bulk tonnorthern Europe will increas- nage is likely to grow more ingly lose ground in the world's sluggishly and at e lower average wage, meaning that the low-wage countries of the Far East will play an increasingly dominant role in the bulk trades."

Drewry's comments come as rates for grain, coal, iron-ore and other dry cargoes have slumped sharply with no immediate prospect of an upturn. The northern European dry

bulk fleet has come down by around 29 per cent since 1976 to 31.8m dwt and could drop another 10 per cent in the rest of the 1980s, said Mr Dennis Stonebridge, a Drewry director. Since 1976, he said, Britain's merchant fleet bad fallen by 25 per cent, Sweden's by as much as 54 per cent, the Netherland's by 42 per cent, Norway's by 23

per cent, and West Germany's by 17 per cent. Whereas a 25,000 dwt bolk carrier built in the late 1970s needed to earn around \$13 a ton per month to break even. the current rates were only

around \$6.

He forecast a lot more bank ruptcies in shipping, especially in the dry bulk sector. Worsen ing the rate slump was the fact that a large volume of ships ordered in better times was now coming on to the market. The impact of Inflationary Costs Tendencies on Dry Cargo Shipping Operations, Drewry Shipping Consultants. Price £95.

# French aerospace boost

THE FRENCH aerospace indus-try is expected to show a to a broad range of products.

the industry trade body, has the Government has reconstrained figures showing a taken a controlling stake.

substantial increase in its 1981 About 65 per cent of exports, trade surplus following an according to preliminary estiincrease in exports last year of mates, were for military pro-Per cent.
While a detailed breakdown Dassault range of strike airof the trade balance is not yet craft, and a number of different available, the Groupement des missile systems made both by Industries Francaises Aero- Aerospatiale, the nationalised nantiques et Spatiales (Gifas), group, and by Matra, in which the Covernment has recently 25 per cent increase in turnover On the civil equipment side, to FFr 44bn (£3.9bn). Of this French companies registered

airliner, which is assembled by

#### Spain in move to make Libya pay debts of about \$130m BY ROBERT GRAHAM IN MADRID PART OF Social's trade pays a quarterly basis via reciprocal ments to put pressure on the used to pay ourstanding debts. It is this latter element which ments to Libyo have been payments from the respective Libyans over a series of corport within 30 days. This led to the has remained unpaid by the

of the third phase plans.

items. The Ministry is particus soldement of some \$60m-worth. Spanish, larly concerned about payment. Of the current outstanding. Reuter temportrily withhold, to oring central banks.

temportrily withhold, to oring central banks.

temportrily withhold, to oring central banks.

the second-quarter resides larly conserved about payment orities for debts in some cases ment should have occurred on for canned goods and textiles. dating back more than a year. June 30 out the Lioyans have which it says is couring hard. \$100m is said to concern goods The total amount involved is delayed giving any authorisa- ship to a number of small com- supplied and a further \$30m

Reuter reports from Brussels:

The Algerians are in the middle of difficult negotiations

with the Italians over the

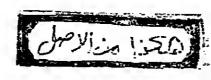
supply of 12bn cubic metres of

cas a year to be supplies

through the recently completed. Trans-Mediterranean pipeline

Libyan dent to Spain, some The European lovestment Bank (EIB) will loan Spain \$40m The total amount involved is understood to be nearly \$130m (177m).

The Spanish Ministry of the February, an effect of the Personal Commerce has decided to hold Spanish delegation went to spanish delegation wen



toeracy

Maveri

)und to

rators

is a step towards reversing the trend.

But every small business we field to succeed

pretty bleak

Of course, on the face of it things are still

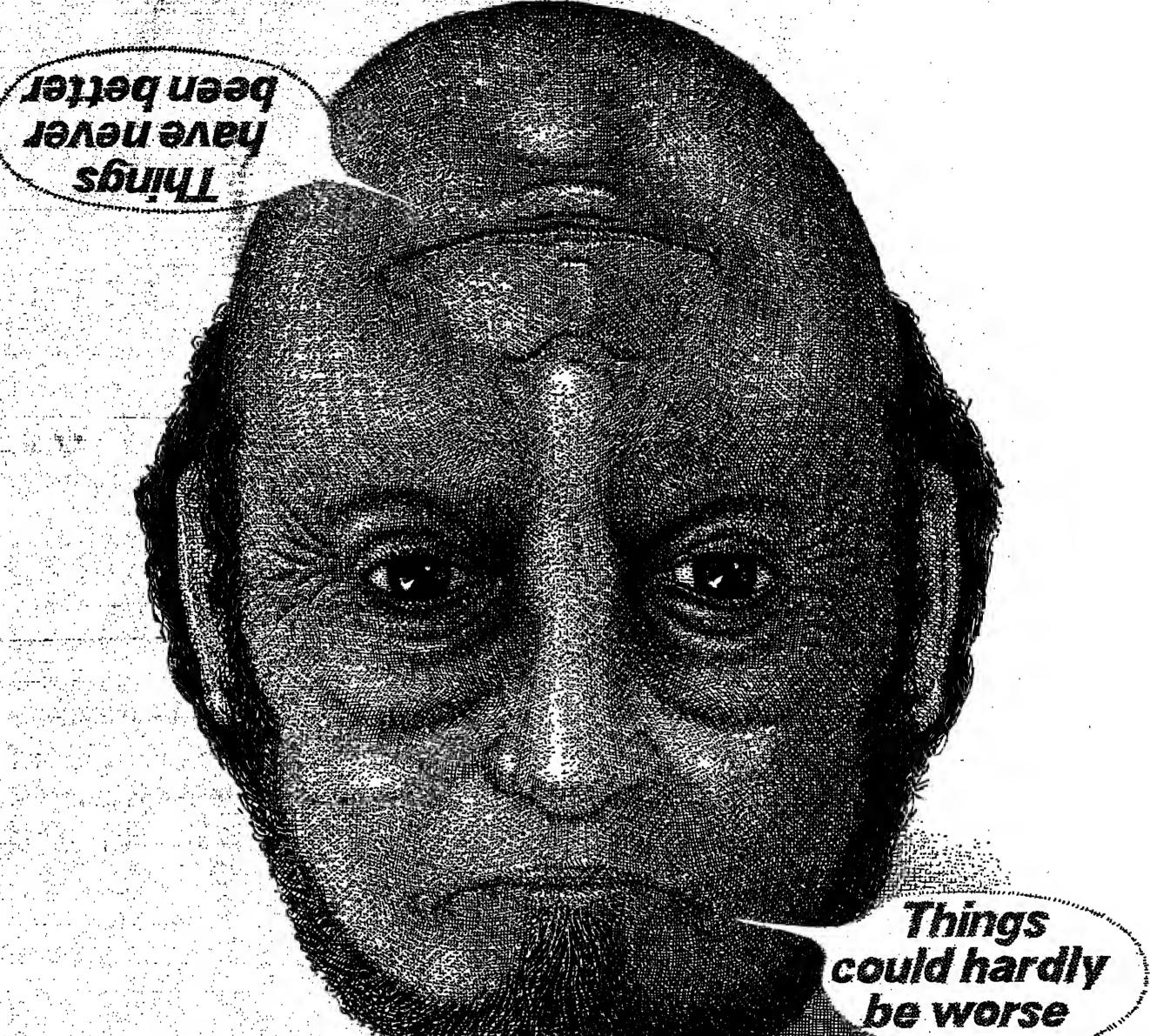
and growth.

To finance start-ups, management buy-outs

Which was good for business all round. than ever before, We invested more money in more small firms But we had our best year to date.

Over £109 million went to 1043 companies,

The economy may have been ailing last year.



In the interest of small business we turned a popular view of the economy on its head.

# Group formed for nuclear waste treatment

active and toxic materials, led by Northern Engineering Industries, are pooling resources to provide radio-active waste treatment services and equipment for the UK.

Their joint venture, NEI Waste Technologies, of Gateshead, is a commercial response to the Government's stated aim of involving private industry more in radio-active waste (radwaste) processing in Britain:

NEI's partners in the venture are Chem Nuclear Systems, of Seattle (35 per cent) and Pollution Prevention Consultants of Crawley, Sussex (10 per cent). Mr John Bennett, director of NEI Waste Technologies and a posal in the 1980s. former nuclear reactor designer, says the company will specialise in retrieving and treating lowand medium-activity radwaste.

and a similar newer facility in

"We hope to utilise Chem Nuclear's experience and proven designs," Mr Bennett said yesterday. These include an electro-chemical process for decon-taminating active components.

The joint venture is already

Environment, responsible for the safe disposal of radwaste In Britain; expects to order several large facilities for dis-

Over a quarter of the department'a research and developmeot budget is being spent on radio-active waste management. It is looking especially to the experience of Chem Nuclear Systems, which operates on a "cradle-to-grave" hasis the U.S.

Last year it spent almost £10m of a total R and D budget of £36m. Only building and construction received more R and

British Nuclear Fuels received two-year contract worth over £2m from the department for research on vitrifying high-level radwaste from the reprocessing of spent nuclear fuel. NEI supplies the sealed stainless steel storage vessels used to

discussing new facilities and services required by the Central Electricity Generating inveotory of the radwaste expected to accumulate in the vear 2000, on the hasis of a nuclear power capacity expanding to 20,000

Mw hy that year. The estimates, published in Nuclear Eoergy, assume that all new reactors ordered will be of the pressurised water (PWR) talist pressure group, to prevent type, and that the last of the interference with this year's Magnox reactors will be shut sea dump, later this month. down in 1997.

Highly radio-active liquids They also assume that the from reprocessing will total reprocessing of Magnox fuel will 1,090 cubic metres by the year continue at the present rate of 2000, and will be increasing at

600 tonnes per year.

burial or by sea dumping.

This type of waste will be

accumulating at the rate of

20,000 cubic metres per year in

The UK Atomic Energy

Authority, the Government's agent for the annual Atlantic

sea dump of low-activity rad-waste, last week obtained a

High Court injunction against

Greenpeace, the enevironmen-

THREE COMPANIES with Government's Barnwell waste D funds, 29 per cent of the hudexperience in handling radiodisposal site in South Carolina, get til the late 1990s, and that the metres a year. reprocessing of oxide fuel will begin in 1990 and build up to Amersham International

which produces radio-active medical and research products, is a substantial producer of low-The largest single item is a total of 400,000 cubic metres of level radwaste, of a type it is planned to hury at a depth of low-activity solid wastes from 20-30 metres, in an underground storage facility required by the nuclear fuel fabrication and reprocessing, to be disposed by

> By the year 2000, Amersham is expected to be producing 10,000 cubic metres a year of miscellaneous solid wastes of this kind.

> Environment Department acientists estimate that Britain will need three underground storage facilities for radwaste in the next decade. in the next decade. Most urgently needed is an "engineered trench," 20-30 metres deep, for low-level waste.
>
> The others will be a modified

> mine or purpose-built cavity about 100 metres deep, and a purpose-built repository about 300 metres deep.

#### Buoyant home market forecast by **Nationwide**

By William Cochrane

THE NEXT six months should see a much more buoyant housing market, higher house prices and a further reduction in mortgage rates, the Nation-wide Building Society said vesterday.

Nationwide, Britain's third largest huilding society, bases its optimism for the market on a 45 per cent increase in total housing starts in the 12 months to the end of April.

On prices, the society's last bulletin estimates an average UK increase of 3 per cent in the second quarter of 1982, following a rise of only 1 per cent in the first quarter and a depressed second half of 1981. On mortgage rates, Mr Cyril English, Nationwide's chief general manager, said in London yesterday that in the absence of definite information

on the movement of hank base rates, it was unlikely that this week's meeting of building societies would decide on a cut. Given that the Government could be seen to be tackling inflation successfully, however, he could see a decision being taken early in August for im-plementation on September 1.

Mr English also confirmed earlier indications that building societies are not visibly suffer-ing from the incursion of the clearing banks into mortgage

Nationwide reports record gross receipts of £1.39bn and record net receipts of £416m for the first six months of 1982, while loans approved rose sharply from £565m to £725m. "There is no shortage of demand for home loans as far as Nationwide is: concerned," said Mr English, "And certainly for the immediate future we see little prospect of any lessening in demand."

The withdrawal of the 23rd issue of National Savings Certificates and the Government's lower savings target for the current fiscal year had provided some welcome relief for build-

ing societies.
Banks, too, were generally not competitive on personal savings for the sort of money which building societies sought to attract. The main feature at present was the high level of competition among building societies for investment funds. Mr English acknowledged that much of the money societies are receiving is heing attracted into accounts, where differential

interest is paid above tha prevailing ordinary share rate.
"It would appear that the time has come for building societies to reduce the present top differential of over 2 per cent on term money," he said.
"Here at Nationwide we shall be lowering the differential on capital bonds to 12 per cent above the ordinary share rate on all new capital bonds opened after July 31."

#### City group supports Gower view

By John Moore, City Correspondent

A GROUP of City professionals, politicians and investors has welcomed the main conclusions of a controversial review of investor protection prepared by Prof Jim Gower.

The Wider Share Ownership Council differs from the mainstream of City Opinion on the Gower report, commissioned by the Department of Trade after a series of failures on investment companies. The council agrees with most of the conclusions reached in the report. The only reservation the council notes in its submission is the implication that greater

emphasia should he laid on competence as opposed to honesty.
"The problem here is the measure of competence (whether in advance or in retro-

(whether in advance or in retro-spect)" says the council.

It finds Prof Gower's sugges-tion that supervision of the in-vestment community should be undertaken by self-regulatory agencies, withthe Government exercising a residual and supervisory role, "eminently reason able,"

The council says: "The un-contested success of a regulatory method of this kind in the unit trust industry is perhaps the best example which can be cited in support" The council lays particular stress on the aims of develop-

ing the scrutiny exercised "with an enviable history of success' by the Panel on Takeovers and Mergers.
The council expresses con-

cern about the adequacy of protection for investors in these situations, where the interests of sharebolders in companies making or accepting a bid do not sometimes receive adequate consideration.

# **Commission attacks** inadequate action against racial bias

THE COMMISSION for Racial Equality yesterday described as "disappointingly inadequate" the responses of the Government, employers, trades unions and local authorities to problems of racial disadvantage.

The commission, which itaelf was severely criticised last year by a Common's Select Committce, said that reports hy Lord Scarman on the Brixton riots. and an earlier report by a Com-mons Home Affairs committee had constituted " an action programme of major significance."

The commission's fifth annual report cootinued: "The nation was thus presented with a unique oportunity for faster pro-

areas, eliminating racial dis-crimination and disadvantage, and improving race relations.

"So far the response by the
Government and others has
heen disappointingly inadequate. It lacks the sense of urgency that ran through Lord Scarman'a report in particular." The recort agreed that it was

gress in rejuvenating inner-city

more difficult in a time of recession, but it was at such times that the vulnerable sections of society suffered most and, even steps that require only a comparatively modest outlay are not being taken by Government."

The Government could have given a atronger lead on the CRE's Draft Code of Practice for employers which was submitted at the end of 1981 hut still awalted a Government decision, the report complained. Nor had the Government taken action on momitoring the equal opportunity clause in its con-

tracts, as had been done in the U.S., although it was carrying out an experiment in monitorTHE PARTY OF THE P

ing employees in non-industrial grades of the Civil Service.
"We are firmly convinced," said the CRE, "that unless monitoring is undertaken in housing and other areas as well as employment, there can be no real possibility of eliminat-

ing discrimination." Positive Government moves, however, included the appointment of Sir George Young as Minister with special responsi-bility for race relations aspects of the work of the Department of the Environment and changes in administrative arrangements for special Government grants for Commonwealth immigrants.

The commission quoted other

The commission quoted officer recommendations made hy the Home Affairs Committee in its report last year on racial disadvantage on which no action had heen taken. "In particular, we would again urge the Government to give the Home Commission of the Hom Office a bigger co-ordinating role," said the report.

role," said the report.

Mr David Lane, chairman of the Commission for Racial Equality, who retires next month, said other proposals made by Lord Scarman had heen "watered down" after opposition by the police.

The CRE grew out of the old Community Relations Commisaion, which promoted racial harmony, and the Race Rela-tions Board, which enforced anti-discrimination laws. Mr Lane defended the continuation of the dual role in one organi-

# **Burroughs to sue health** authority in computer row

BY JASON CRISP

BURROUGHS, the U.S. computer company, is to sue the Oxfordshire Regional Health Authority for damages after it opted to buy an ICL computer, even though the American company was placed first on both price and technical ability.

Earlier this week Burroughs failed to get an interim injunction from a High Court judge which would have prevented the authority from buying the ICL computer. In a statement yesterday Buroughs said it would now pursue its action to a full trial. The contract, worth about

£500,000, was for a computer at Northampton General Hospithe contracts it is suing for are worth several million pounds. Author The move is part of a grow-decide

favour ICL or other British manufacturers, as it has in the past. EEC and Gatt rules now require that the public procurement of computers is through

open tender. IBM is also taking legal action against the Severn-Trent Burrongh' Water Authority, which went its action.

against the advice of its technical experts to choose ICL. At the end of this month IBM will have a High Court judicial review of the way in which the authority reached its decision to buy an ICL system. In this case the ICL computer is thought to bave heen cheaper. Another U.S. company, Sperry

Univac, is also thought to he considering laking legal action against the water authority as its system was rated technically above ICL. But it is likely to await the outcome of the IBM

IBM has fought fiercely to stop the Government favouring ICL. It lobbled vigorously over tal. Similar systems are likely the computerisation of the to be installed at other bospitals PAYE system but the contract in the region. Burroughs says was eventually awarded to 1CL. the contracts it is suing for are Authority had been expected to ing effort by U.S. manufac- system in May. The decision turers to ensure that public pro-curement of computers does not switched to ICL, which was the fourth choice. Other companies competing included IBM, Digital Equipment and British Medical

Data Systems. Yesterday neither the health authority nor ICL were prepared to comment on Burrongh's decision to continue

# £81,000 pay increase for **Heron Corporation chief**

BY CHARLES BATCHELOR

MR GERALD RONSON, chairman of Heron Corporation, the property and service station group, has been given an £81,000 pay rise, taking his earnings to £288,000. Details of Mr Ronson's 39 per

cent wage increase were given in the company's annual report for the year ended March 31, which was published yesterday. Mr Alan Goldman, Heron'a finance director, said the salary was "not unusually large for a company of this size. How many other major British companies managed to increase profits over the past year?" he

Commenting on possible criticism of the rise he added: "Heron is a private company and I do not think what few abareholders there are will be complaining. They will be delighted with the group's performance."

In its report, Heron announced 15 per cent rise in pre-tax profit to £15.5m on turpover which was 6 per cent higher at £322m.

Heron revealed on Monday that it had acquired a 5.1 per cent stake in UDS Group, the department store and clothing retailing group, but said this was for investment purposes only.

Who took out 540,000 life assurance policies in the last year? The readers of a great national newspaper, that's who!

#### Vitrification plant approved

By David Fishlock, Science Editor

BRITISH NUCLEAR FUELS (BNFL) has been given planning permission to build a £150m . chemical processing £150m . chemical processing plant to convert highly radioective effluent into glass ingots at its Scilafield (Windscale) factory in Cumbria.

But Copeland Council has made the condition that BNFL ahould exercise the option in contracts for the reprocessing of spent fuel for other countries, and return the vitrified effluent as soon as practicable. The ingots of glass would be

returned to the country of origin—principally Japan, with which it has the higgest reprocessing contracts — in the casks in which spent fuel is imported by sea. Supporting the planning application, Councillor James Johnson said the glass ingots

might have to he stored in

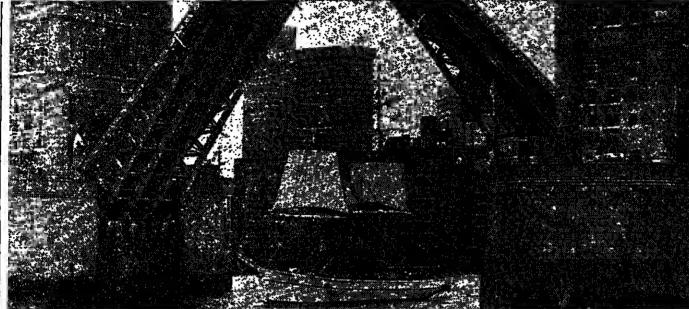
Cumhria for 50 years hefore being disposed of.
The Government has recently accepted scientific advice that the glass ingots will he easier to manage in their final reposi-tory if they are first allowed to ool" radioactively for 50 to

100 years.

BNFL is building its vitrification plant close to its facilities for storing highly radio active reprocessing effluent in a hattery of sealed stainless steel tanks. The plan will come at the end of Thorp, the thermal oxide reprocessing plant, an £860m chemical facility for which

planning permission was given by the Government following a public inquiry in 1977. Thorp is expected to be commissioned in the late 1980s. The vitrification plant is expected to come on-stream just ahead of

Thorp.
It will he hased on French technology used for several years at the Marcoule establishment of the French Atomic Energy Commission and available freely to BNFL under its partnership in United Rehpro-the UK-French-German com-BL says the campaign



The barque Inca sails down the Thames as London's Tower Bridge opens at the start yesterday of the ten-week Round Britain Clipper Challenge race against the brig Marques. The two ships, owned by the China Clipper Society, will each be crewed by five different teams of youngsters.

# Car output hits lowest level since 1950s

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CAR PRODUCTION in the first six months this year was nearly 2 per cent below that for the same period last year and dropped back to a low level not seen since the late

Ontont was particularly hit in June, a month when the manufacturers are normally meet heavy demand in the peak sales period of August and September.
According to Department

of Industry provisional esti-mates, in June this year car output was only 79,000, compared with 100,000 in the same month of 1981. The month was relatively free of industrial tronbles. The only reported dispute was at Ford's Halewood plant, where two days of trouble cost 1,500 Escorts.

As a result, production for the first six months was only 482,000 or 1.8 per cent below the 491,000 for the January-June period of 1981. - . -In contrast, commercial vehicle output picked up by

17.4 per cent during the six-menths. But this was from the worst level since records were first kept in the current form. Commercial vehicle produc-tion in June was 23,800, com-pared with 23,000 in June last year. For the first six months

this year the total-was 137,100, against 116,800 for the first half of 1981.

# BL's market share up to more than 30%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

Having attracted your

anagrams, here are a

WASHINGTON and its

Skilled and loval work-

attention with our

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force.

per cent in the last two days of June. In the first six months of the year the group's penetration was about 18 per cent only. The group believes the rise in sales was mainly due to its promotional campaign, Move over to Austin Rover, launched

BL says the campaign runs

until the end of August and

The beavy promotional spending is linked with a financial incentive scheme for dealers. This gives at least £100 extra on each car sold and up to £700 on the last of the 1981 Rovers, Allegros, TR7s and Maxis, to be found though they have gone out of production. Through June, July and

BL's SHARE of the new-car market-share should continue August dealers can win on dealer said yesterday he could market shot up to more than at a relatively high level till average an extra £400 a car still sell Fiestas if the Metro objectives.

The Metro responded well to

There are indications that some dealers passed on all that extra discount to customers, to win sales at the end of last

from Ford's Fiesta. A Ford cent on the last day.

price was £100 below the Fiesta hut had no chance to compete with a £400 differential BL started June badly. The

sales surge became apparent only in the last six days of the month, in which its penetration stayed above 20 per cent. It the campaign. It apparently rose to 34 per cent on the took sales away in particular penultimate day and to 31 per

# Finance house to offer cut-price loans and credit

BY PAUL TAYLOR

THE UK finance subsidiary of a big U.S. bank is launching what it claims is the first ever UK "money sale" tomorrow offering cut-price personal and home loans through its network of 26 High Street money-

shops.

Boston Trust and Savings, a subsidiary of First National Bank of Boston, has about 20,000 customers—80 per cent personal—and just under £25m in outstanding loans.

Until August 14 the finance house will be offering 10 per cent off interest charges on unsecured personal loans between £300 and £3,000 and on homeowner loans ranging

on homeowner loans ranging between £1,000 and £7,500. This will mean a reduction in the annual percentage interest rate on a four-year loan, for instance. from 30.3 per cent to 27.4 per cent and a reduction from 23.8 per cent to 21.6 per cent on the annual rate on a seven-year

Boston Trust is also offering free credit for the first three months on its revolving credit account, which provides facili-ties up to 30 times a monthly payment. On a £3,000 facility, this could mean a "saving"

of up to £198.

Mr Graham Telford, a director of Boston Trust and Savings, recognised that the rates were not necessarily competitive with those offered by the cleaning hanks. But "they are very attrac-tive compared to hire purchase, certain popular credit cars and finance company loans adver-tised in national newspapers,"

he said. Mr Telford said the compa which has opened five of his moneyshops inside Debenhams stores, "has to be thinking of itself more as a retailer." He said further sales to increase customers during "slack demand periods" might follow if this experiment proved a

# Treasury man appointed to top Employment job

deputy secretary in the Treasecretary at the Department of Employment in succession to Sir Kenneth Barnes, who retires at the end of the year.

He is the second senior Treasury man to be appointed to head another department within a few days. Last Friday Sir William Ryrie, second commands secretary in charge Cahinet Office be

was appointed senior official in Overseas Development Mr Quinlan has spent most

first job after leaving Oxford and doing his national service Mr Quinlan, 51, has been on with the Royal Air Force was After a number of jobs there and with the MoD he was seconded to the British

Delegation to the North Atlantic Treaty Organisation between 1970 and 1973. He then

of his career in the MoD. His

# MICHAEL QUINLAN, Quinlan's immediate superior, sury in charge of industry, was the Overseas yesterday appointed permanent Administration.

secondment to the Treasury in the Air Ministry, from the Ministry of Defence After a number

The Council for the Securities Industry, the City's main regulatory body, is "now the obvious body to play a leading role in any system such as that spent three years in the proposed by Prof Gower," says Cahinet Office before returning the Wider Share Ownership.

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Ian Rodger examines a report which advocates government action on quality approval

#### Staffing cuts plan angers teachers

By Michael Dixon, Education Correspondent

THE LABOUR PARTY and the two main teachers' unions reacted angrily yesterday to official forecasts that more than 16,000 teachers in English schools and colleges must be dismissed next year if planned economies in educational spending are to be achieved.

In addition to the dismissals of staff aged under 50, the schools and colleges would need to lose a further 16,600 older teachers through normal and early retirements.

The forecasts, drawn up by subcommittee of central and local government officials, assume that the pay rise to be awarded to teachers next April will be the same as this year's

for cent increase.

The projections will be considered on July 19 by the Consultative Council on Local Government Finance, which is headed by Mr Michael Heseltine, Environment Secretary. In the State schools in England, which employ about 420,000 teachers, the projected 14,000 dismissals would represent 3.3 per cent of the total and the 15,000 retirements 3.6

per cent. In the polytechnics and colleges, the 2,320 dismissals would represent 8.3 per cent and the 1,580 retirements 5.7 per cent of the 27,900 staff than GCE Advanced

The officials on the subcommittee doubt that many of these staff could be converted to teach on the more practical courses which will form part of the Manpower Services Commission's Youth Training Scheme, and for which colleges are expected to need in extra 1,800 teachers by 1983-84.

land. But in Britain as a whole, entertainment business, said them. 21,329 experienced teaching Mr-Michael Montague, chairman staff were on the register on of the English Tourist Board.

unions, the National Union of seaside municipal theatre, but a the boards. Teachers and the National lot else besides," he told the Association of Schoolmasters annual meeting of the Southern and Union of Women Teachers | Tourist Board at Hayling Island -both said yesterday that they yesterday. would resist any compulsory

Reshaped standards system 'would help exports'

standard (SAE) or a camera approved under a Japanese inspection system (JCII), on which you can adjust the light meter according to a German measuring system (BHV). No British acronym appears

in this group because, until recently, the British were surprisingly answere of the many and valuable uses of a coherent system of standards. The words "British made" or a compeny's name, such as

First on a piece of stainless steel used to be considered sufficient warranties of quality. And no one would think of using an official standard as a non-tarist barrier to unwanted

imports.
Today, all that has mininged, and fire Government is mailing increasingly urgent noises about

getting the country's standards eystem in order.

Good standards help figures achieve the levels of quarty, reliability and safety in design and manufacture which inclingly are a prerequisite successful competition in walld markets," Mr Patrick Jensin, Secretary of State for Industry, said last month.

"We are aiming to make our current haphazard arrange ments work more efficiently Mr Peter Rees, Minister for Trade, has premised that his department would publish a consultative document shortly containing proposals to enhance the status of UK standards. It is something of a co-incidence that the report of the Cabinet's Advisory Council for Applied Research and Develop-

ment arrives in the middle of

IN BRITAIN you can buy motor this new enthusiasm.
oil graded under an American The council set up i The council set up its working

party on standards a year ago in very different circumstances Sir Frederick Warner had just published for the National Economic Development Office a study on the use of standards as non-tariff barriers, and the council was distressed that it had not had much impact.

Dr Bryan Lindley, a member of the council, suggested a wider study on the impact on product design of standards, regulation. certification and approvals, and became chairman of the sixman working party. The report was completed in

May and circulated among the interested Government depart-

The central argument of the study is that a system of tertification and approval of components and products that is demonstrably demanding is needed to gain respect for British goods abroad and ensure that goods sold on the home market are also of a high

Moreover, Britain must have an efficient process for writing and implementing its own stan-dards. Otherwise, according to Dr Lindley, who is director of technology at Dunlop, it would become totally reliant on others' technological pace.

Experience in this country and

eisewhere shows the way of assuring quality in manufac-turing. So-called quality management systems have long been an aspect of defence procurement, ensuring consistency and accuracy in production, and these are now being applied In some cases, a company im- see several bundred covering

premote metrication should be resumed urgently, the Cabinet's Advisory Committee for Applied Besearch and

In a report on the use of standards and certification schemes to strengthen the competitiveness of British industry, Acard argues that the potential savings for manufacturing industry in a single standardised measurement system outweight any dis-

advantages.

"Abandoning the metrica-tion programme and abolishing the Metrication Board was a retrograde step, creating hibition of dual pricing, to metrication in the engineering industries.".

The working party's major recommendation is that laws should be changed to enhance the status quality standards

suppliers. In others, a whole sector, such as industrial

The Acard report estimates

about 10,000 of the 90,000 UK

manufacturing companies have been assessed under public sec-

tor schemes and probably as

many again by the private sec-

The next step is independent

approval or certification by an

industry-sponsored hody, such

as the British Electrotechnical

Approvals Board (BEAB) in

the electrical products sector.

Acard says there are a few dozen of these, but hopes to

fasteners, sets up a scheme.

most manufactured products Finally, it is felt that certification and approval schemes Government as being based on sound professional practice and independent of manufacturers interests. The use of a national mark would be a considerable

in this country to the levels

British standards should con-

stitute a defence against product liability actions and

be a mitigating factor in

The report also urges the

rapid creation of independent

product certification and

approval schemes, especially

in companies and sectors

where exporting is important.

These schemes should be

accredited by a new national

organisation that would con-

trel a British quality mark

similar to the West German

DIN Gepruit or the Japanese

More aggressive policing of false claims of compliance with British standards is

needed to support the integrity of the system.

integrity of the system. Counterfeiting is said to be widespread in some sectors.

JIS marks.

setting insurance premiums.

Specifically, compliance with

existing in other countries.

aid to exports, the working party argues.
Dr Lindley said Britain often tried to negotiate reciprocity with foreign countries on product standards, so that each accept the other's

approval schemes.

"If we want our products to be allowed in other countries without being subjected to testing, we must have our own But onr schemes are tests. often not recognised because they do not bave Government

Most manufacturers believe that the costs of failure of their products are much higher than the costs of appraisal and prethat all Government departments and public bodies should be required to make use of British standards and product certification schemes in their purchasing practices.

Changes to the Consumer Safety Act and the Health and Safety at Work Act should be made so that British standards are recognised as meeting legal requirements. If manufacturers knew they had some defence against product liebility claims. they would be more likely to adhere to the standards.

make regulations should try to link them with standards and voluntary codes of practice. The working party found great dissatisfaction among

manufacturers over the policing of claims of compliance with existing British standards and regulation, notably those in the Trade Descriptions Act. The problem, said Dr Lindley, is that enforcement is delegated by the Department of Trade to overworked trading standards offices in local authorities.

Acard wants to see more aggressive policing, not just of cases of non-compliance counterfeiting that come to light, but also at the ports of entry to the country to stop imports that do not British standards.

that there was an element of protectionism in the suggestion. We may need to be protectionist in this way from time to time, but we do not have the means in our arsenal now."

The working party wants the Government to provide more funds to the British Standards Institution so that the process of writing standards can be speeded up. It also seeks more Government support for UK involvement in international standards forums.

vention. Acard found that, in West Germany the DIN stan-dards for quality manufacture and certification were considered a minimum by many manufacturers. However, it believes a number of incentives are necessary to bring about concerted action

For example, it recommends It urges the creation of an advisory body attached to Acard and the Cabinet Office that would push for implementation the setting-up of an inter-depart-mental committee to co-ordinate

The working party also recommends that a single department be made responsible for design and standards policy.

Dr Lindley does not say which of the two departments most concerned, Trade and Industry, he would like to see take over, but Acard seems more in sympathy with the Department of Industry.
Facing International Com-

petition. The Impact on Product Design of Standards. Regulation, Certification and Approvals. Cobinet Office Ad-Council for Applied Research and Development.

#### Ford plant may switch to coal for heating

By Maurice Samuelson

100

FORD is considering a £20m plan to use coal instead of gas for its main heating needs at its Dagenham factory.

The company is understood to have sounded out the Department of Industry about a 25 per cent grant under the boiler conversion scheme, but a decision to carry out the conversion has not yet been made. It could raise the company's coal burn to 120,000

#### New boilers

The company said yesterday that even when the economics of the scheme had heen worked out, its fate could depend on the state of industrial relations in the British coal industry.

The Dagenham car plant aiready uses coal for space heating in the winter and new boilers would provide process currently used.
Dagenham has

storage capacity and facilities to unload coal brought hy ships from North East England. The size of these storage yards could cancel out its fears about the foture interruptions in coal supply.



# Star fees 'hit seaside theatre'

BY JAMES McDONALD

HIGH: FEES commanded by pier, said Mr Montague: . No figures are available for performers and their managers "Rate payers who are subin neighbouring towns on
the number of teachers regisand agents may be putting seatered as an employed in Engside local authorities out of the ing that they can't afford to see operate to hold down prices.

The decline of municipal seaside theatres was certain, with

. If municipal theatres had to close " the smaller acts, the sup-The two largest teachers ainer is not only killing the will have fewer places to tread will have fewer places to tread

"Over-priced stars have put the variety clubs-the 20th century successor to the music halls-out of business and all the indications are that the same may happen to the seaside

by resorts, with performances in neighbouring towns on difand agents may be putting sea- siding these shows are complain- ferent nights. Resorts must co-

> If necessary, be said, muni cipal authorities must vote with their cheque books and drop the expensive stars altogether. Audience participation and quiz shows, talent nights, rock concerts and speciality acts could full the seats if the price was

Mr Montague said the Institute of Municipal Entertainment Mr Neil Kinnock, the Labour tickets at £4 or £5 or more and theatres, unless something is had a working party examining spokesman on education, is in some cases no reductions for done about it."

the problem and the British pressing for a full Commons children; but this could also Mr Montague suggested that Resorts Association was also dehate on the projections.

# Ulster management training plan

. Dr Lindley acknowledged

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT yesterday industry and with pump-prim-

proposed the setting up of a con-state body to oversee training in Northern Ireland. A discussion paper on the reorganisation of management

education and training from the Northern Ireland Department of Manpower Services said an anthoritative independeot body should be organised and managed by nser interests. Such an organisation would be funded from membership fees and charges for its services, but substantial Governassistance would he needed for the first three years.

. With sufficient support from

ing finance from the state, it. would give the leadership and focus at present absent in the development of managerial The paper said present

government funding supported a range of unrelated objectives. There was confusion of effort and an overlap of responsibility, it said.
The Northern Ireland Economic Council, an advisory body,

will belp set up a steering committee to produce detailed proposals for the new body and to take further soundings from

· Management training and

education in Northern Ireland, Department of Manpower Servies, Netherleigh Massey Ave, Belfast BT4 2JP. A showpiece bousing estate in Craigavon, County Armagh,

faces the bulldozer-10 years after it was built. Only a quarter of the 80 bouses are occupied, the others

have been damaged by vandals or are falling into decay.

About 450 bomes in
Craigavon have been lying

vacant for some time. The bouses are owned by the Northern Ireland Housing Executive, the state body which controls public housing through-

# he Problem



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cut airport

congestion

Lerospace Correspondent

could be substantially reduced through checking in

passengers and their baggage

at outside centres, and conveying them by bus directly to their alreraft.

"Remote stations" were suggested to the public planning inquiry into the

proposed development of Stansted Airport, Essex, by

Mr Edward House, formerly in aircraft scheduling with

British Airways.
Giving evidence to the Inquiry on behalf of the Council for the Protection of Rural England, which is apposed to the development of Stansted, Mr House suggested that remote stations would be significantly cheaper than the development of Stansted, and extremely flexible.

extremely flexible.

"Passengers for any specific destination could be required to check in at a specified point remote from

the airport, or at least outside the airport periphery, thus dispensing with nearly all the walking and walting within the airport terminal.

within the airport terminal.
"Customs, immigration and
security checks would all
take place at these remote
stations, of which two or
three might suffice for the
average airport, but of which
up to a dozen might eventually be needed for major
traffic centres," said Mr

"Passengers and their

baggage, nat necessarily tigether, would then be taken

British Airways.

CONGESTION

substantially

By Michael Donne.

AIRPORT

# Norway likely to react to N. Sea gas tax move

THE GOVERNMENT'S decision else in Europe used ethane to price paid by petrochemical to give special tax concessions make petrochemicals and it on gas raw materials to Shell, was Esso and Brilish Petroleum estat could lead to Norwegian petro- after tortuous negotiations chemicals producers demanding involving buyers, sellers and

Among those that might benefit is Imperial Chemical prices of other petrochemicals Industries—the one major UK chemical producer excluded from the British tax deal on raw materials.

If the Norwegian price of ethage gas feedslock is trimmed then some of Norway's North Sea producers might find it more profitable to sell gas to chemical companies as a raw ICf than to their domestic material—has recently fallen

chemical companies. and the differential between
An ethane carrying gipeline ethane and naphtha in Norway
which runs from the Norwegian has therefore narrowed. which runs from the Norwegian.
Ekofisk field to Teeside already
exists. It is understood that is put at about 33p a therm. The
Norwegian ethane price to the Ekofisk field and operator of the pipeline, has had informal discussions with 1Cf about a deal on ethane deliveries. At present ethane of 20p plus a therm would be from Ekofisk is piped to Tec- considerably higher than the from Ekofisk is piped to Tec-side and then shipped back to Norway where it is used as a petrochemical raw material at Rafnes. Three companies-ihe state-owned Statoil. Norsk has agreed to accept a low Hydro and Saga Ptrokjemi— valuation for ethane for tax have interests in the petro-purposes. This will enable Shell, chemicals complex at Rafnes. The complex has used ethane from Ekofisk as a petro- without facing huge bills for chemical raw material since Petroleum Revenue Tax. Their 1978. But when the gas was subsidiaries are expected to pay A crucial decision on the size first used there were major parent companies well under of the plant that will separate difficulties over the price that 16p a therm for their gas. should he charged for itsimilar to those now being Norwegian and the UK ethane determine how much extra experienced in the UK.

The maio problem, as in for the Norwegian Government due to be taken at the end of Britain today, was that nobody to step in and lower the ethane

was therefore hard to establish a market rate. But

price some 40 per cent lower than that of paphtha. But the market price of naphtha—used hy most West European petro-

petrochemical companies at Rafnes is thought to he more

than 20p a therm.

But a Norwegian ethane price price the chemical subsidiaries of Shell, Esso and BP are expected to pay for the gas In Britain. The UK Government Esso and BP to transfer the gas tn their chemical subsidiaries without facing huge bills for The differential between the

companies there.

The Norwegian petrochemicai companies may well call on their government to follow the ensure that British companies do not bave an unfair advan-

tage on raw material costs.

Meanwhile in the UK, ICI has been left out of the tax deal hecause: The is not an oil company subsidiary and does not buy its petrochemical feedstocks 2:

transfer prices. • It uses the oil-based oaphtha. not ethane, at its Wilton complex

But ICI has protested stroogly that the Government's tax concessions to Shell. Esso and BP will put it at a competitive disadvantage, and it has warned that in the longer term, it could be forced to close its Wilton complex with the loss of up to 9,000 johs. The Norwegians are huilding

a North Sea gas gatheriog system which will increase their supplies of ethane. It is due to be completed by 1986. They could then find they have more ethane than they need for the Rafnes chemical complex—and they might agree to ethane from Ekofisk heing sold to ICI at Teesside instead of being shipped back to Norway. However, this would only make economic sense if the Norwegian ethane price was lowered.

gases coming through the pipeline—the size of the plant will prices is likely to bring demands ethane becomes available—is

in large groups in special customs and immigration customs and immigration secure vebicles to be deposited straight into their aircraft on the apron."

At Heathrow after the year 2000, said Mr House, there would be as many as eight remote stations to handle the appears of travellers fore-

number of travellers fore-

cast.
"The whole changeover at any airport could be achieved gradually over many years," said Mr House, He argued that the remote station system could obviate the need for the proposed Stansted expansion,

The inquiry was also told yesterday that the British Tourist Anthority's polley of promoting London as the country's most important tourist centre was wrong.

Plans by Britannia Alrways
to fly inclusive tour charter services between London

(Gatwick) and Jersey have heen npheld by Lord Cock-field, Secretary for Trade. He dismissed an appeal by British Caledonian Aliways seeking to overturn the original award of the liceoce to Britannia by the Civil Aviation Anthority. Lord Cockfield has also upbeld the CAA's decision to

ways the right to fly scheduled services between Birmingham and Brussels, petitors. dismissing an appeal by Alidair against that decision. Spencer's annual bill for pack- for a wide variety of products. policy on glass. Until recently, and 11 per cent in volume.

# Proposal to | Maritime league plans to fight naval cuts

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

CUTS IN Britain's naval strength introduced over the past year carry serious national risks and are unacceptable in military terms, Admiral Hill-Norton, former chief of defence staff. sald in Londoo yesterday. He was speaking at the launching of a new association called the British Maritime League which plans to "reverse the decline in Britain's maritime

Admiral Hill-Norton, who was chief of defence staff in the mid-1970s, and is president of league, has heen personally critical of the naval policy followed by Mr John Nott, the Defence Secretary.

He said yesterday it would be premature for the league to have specific agreed objectives on naval policy. It was not in business to offer ready-made alternatives to the Defence White Paper, he said. However, it seemed clear that

the league, said to be without party affiliation, will be another. possibly powerful voice in the growing lobby concerned to see Mr Nott's naval cuts reversed. Lord Hill-Norton said it was ad league's business to make surethe lessoos of the Falklands criais were "learned and promulgated."

Sir Ronald Swayne, vice president of the league and

chairman of Overseas Containers, notad that successive governments over the last decade had shifted the emphasis of Britain's defence policy away from the traditional maritime priorities, both in military and commercial terms. The Falklands crisis bad shown the importance of the

marchant marine with 50 ships being taken up from the trade. The latest defence white paper was "deeply disappoint-ing" in that it did nothing to enbance Britain's declining

Mr Nott was expected at yesterday's launching but cried nff at the last minute. Sir Frank Under Secretary at the Ministry of Defence, was there in his place, and among the guests was Admiral Sir Henry Leach. the First Sea Lord.

The league'a 27-member council includes Mr Frank Chapple, general secretary of the Electrical and Plumbiog Trades Union; Mr Patrick Duffy, Labour MP; Sir Derek Rayner, adviser to the Prime ability, in conjunction with its allies, to give western shipping the minimum protection that nur freedom and security sacked by Mrs Thatcher last

# Drug prices 'take account of foreign sales'

require."

THE DEPARTMENT of Health importer of drugs to the UK well. But it is unlikely to get licences, industry experts belast night stressed that the prices UK pharmaceutical companies charge for their drugs overseaa were taken into coo-

if parallel imports—where pro-docts are hought cheaply in one country and then sold in a higher-priced market — were

Such imports are permitted under EEC legislationa, but the department bas just auccess-fully prosecuted a parallel

for not having a product licence. The importer said in court that imports would cut prices.

sideration when making assessments under the British price regulation scheme.

This statement follows claims that the National Health Service drugs bill could be cut evidence, that a medicine is serious content to the serious con safe, effective and of a uniform quality. A parallel importing com-

pany cannot rely on establishing that the manufacturer of a particular drug has already obtained a product licence for it. Under the Medicines Act, the importer must bave one as

the necessary research-based evidence from the manufac-

The UK rules could be in breach of EEC law on parallel importing. But the Department of Health said yesterday there were no plans to scrap the requirement for product licences for all companies selling drugs. It added that even wben a parallel importer waa selling another company's branded drug, there was no proof that the medicine was not counterfeit.

Even if the UK were forced it charges both in Britain and

lieva it is unlikely that there would be any reduction in Britain's drugs bill.

Under the pharmaceutical price regulation scheme, the department can force a drug group to reduce the prices it charges the National Health approve drug price increases if it believes a company's overall

The department looks at a company's overall profits, its investment in the UK, its research costs and the prices

# Sale laws says CBI

THE LAW oo High Street "bargajo offers" was criticised yeserday by the Confederation of British Industry as so complex that shoppers, traders and retail trading standards officers found it difficult to understand.

The CBI has asked Dr Gerard Vaughan, the Consumer Affairs Minister, to make a "thorough and systematic job" of review-ing the Price Marking (Bargaio Offers: Order.

The CBI's comments came in evidence to the Department of Trade which is studying a re-port from the Office of Fair Trading, published last year, on its matching pound-for-calling for an overhaul of the pound principle, increase the bargaio offer laws.

The CBl said that many treders were having to ahandon from constituent members in price cutting campaigns because no one could say for sure man of NEDC, said after the whether they were legal. At the same time, less scrupulous traders were coming up with new ideas for bogus hargain offered the prospect of parity with Wales and Scotland if the offers which were within the letter of the law, but quite and effective promolecter of the law, but quite and effective promolected and effective price cutting campaigns because | its area.

#### English regions to receive too complex increased development aid

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

nfthe English regional davelop- tunity to receive at

Mr Norman Lamont, Minister of State at the Department of. Industry, told the North East Development Council resterday that he would increase its grant by 50 per cent if it could draw gramme of overseas promotion.'

amount granted to the council If NEDC increased lis income

lional overseas programme."

THE GOVERNMENT is to put The Government decision more resources behind the work offers the NEDC the opporment organisations to counter another £130,000 a year, totheir complaint that they suffer gether with a further sum equal by comparison with the develop- to as much as It can raise in ment agencies in Scotland and direct contributions from client

> NEDC's incomes from the Government last year £230,000 towards its total budget of £528,000.

Mr Lamont wrote to all four up a "realistically costed pro-gramme of overseas promo-organisations—the North West Industrial Development Associ-The Government would also, ation, the Yorkshire and Humberside Development Association and the Devon and Cornwall Development Board are the others — at the end of last mooth outlining his proposals.

outlay of £110,000.

# Wrapping up a £2bn success story Maurice Samuelson looks at

ON THE SIXTH FLOOR of one of the largest buildings in London's Baker Street, a team of experts is investigating the properties of a new, mainly plastic container, which could spell the death of the familiar food can.

They are also studying the potential of other forms of plasic which could pose a serious challenge to glass bottles and

By coincidence, the nffice where this research is heing carried out is the former headquarters of Britain's biggest packaging company, Metal Box. The researchers work for Marks and Spencer Britain's leading retail chain, which moved into the building when its former neighbour moved to

Reading several years ago. Like most merchandisers. Marks & Spencer plays down the effort it puts into packaging. "We prefer to practise the art of not packaging and to let our merchandise sell itself." says Mr Bob Franklin, technical manager of its packaging division.

His words belle the impor-Marks & Spencer's sales, which as year topped £2hn, or the tonnes of corrugated cases a influence which it has over year and 1,700 tonnes of polysome of its High Street com-

Marks & Spencer's packaging

St Michael bottles of vintage chablis—where Marks & Spencer grudgingly lifts its taboo on glass containers

aging materials of all kinds at.

etitors. apart from plastic film, paper One estimate puts Marks & bags, cans and cartons, used

Since Marks & Spencer sells £40m. There is no official figure, only under its own St. Michael since packaging is not budgeted brand name, it has established separately in the company's pro-duction costs, but the amounts quality control among its wholeof materials needed are known. sale suppliers. This reputation spills over into the packaging industry, which regards it with a mixture of fear, respect and occasional irritatinn.

One of its most notorious which are increasing by more idiosyncracies has been its than 20 per cent a year in value

the material was virtually taboo in Marks & Spencer stores.

Jars of salad dressing are among the few examples of glast-packaging in Marks & Spencer food departments—a grudging recognition of its strong reputation elsewhere. But Mr Franklin insists that in the long term, supermarkets will want to replace glass.

Like most members of the food trade, he is keenly in-terested in polyethylene teraph-thalate, or PET, the crysal clear plastic which has all but replaced the larger sizes of soft drinks bottles.

The company is in close touch with Imperial Chemical Industries, which makes the Melinex polymer at Harrogate, as well as with Eastman Kodak which makes a rival product, called PETG, in the U.S.

In Mr Franklin's view, the container which could take the place of the food can is a laminafed tray with a foil seal, called Lamipak, being do

veloped by Metal Box. Other new forms of packag-ing, such as polystyrene milk shake carton, designed by the plastic sandwich cases and preformed salad trays are already playing an important part in

#### **ENERGY REVIEW**

# Electricity in Scotland: the road from Invergordon

By Martin Dickson

FEW PEOPLE are following company's stake in the Hunterthe Government's attempts to tion and residual grethion! to revive aluminum smelting at ston B advanced gas cooled invergordon, in the Scottish reactor (AGR) nuclear power highlands, with Feener interest station, and will have to pay than Mr Donald Miller. For Mr Miller is the chair-

man of the South of Scotland Electricity Board, which lost its largest customer ast Reamber. when British Aluminium shot down the invergordon smeller. mainly because of the high cost. in an attempt to revive the

the Government has been holding discussions with retoral aluminium manufacstudents and holding out the pos-schilt; of hefty power subsi-dies. But so for there have been no takers and British Aluminum, which has kept the ment going on a care and main-tenance basis, is been to begin disposing of its remaining

has had four main effects on a man of rather abrasive manner the SSEB, which supplies power to 1.6m consumers in southern and central Scotland and 'swaps" power with the North Scotland Hydro-Electric Board, serving the Highlands the main challenges facing him and Islands.

First, it has lost revenue the tap office? because of lower electricity —Relations with consumers. In 5a.es.

· Second, the Board's cenerating costs have been reduced. Try faces a major challenge in Lower electricity demand means maderating electricity price it has been able to reduce the rises particularly to industry operation of its least efficient Britain's heaviest industrial power stations, those with the users of power have been comhighest generating costs. It is plaining for two years that they using its coal-burning stations pay spir-tantially more than at Cockenzia and Kincardina their Continental competitors. less intensively—its coal con- The Government is concerned sumption will drop by 750 000 that the cap could widen even tonnes a year-and is also eve- more over the coming decade ring down on the use of its oil- if Britain does not build its new

factors over the next few years should have a broad balance, so that the Invergordun closure produces no significant effect on the Brard's tariffs. Nor should there be any effect on prices if the plant does reopen, since the ing the cost of the power. • Fourth, the closure will increase the SSEB's substantial

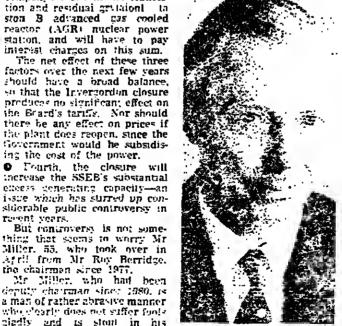
But controversy is not something that seems to worry Mr. Miller, 55, who took over in Afril from Mr Roy Berridge, the chairman since 1977. The closure of Invergordon deputy charman since 1980, is who elearly does not suffer fools piedly and is stont in his defence of the Board's record. Against the background of the invergordon closure, what are

as he gathers up the reins of

recent years.

Scotland, as in the rest of the UK, the electricity supply indusfired station at Invertige graciery nower stations to time.

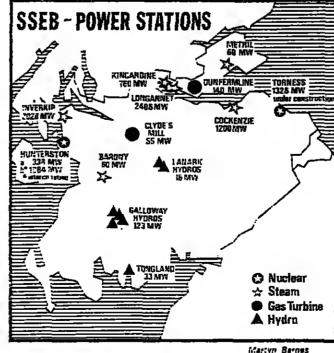
Third, it has bought from and you and held down the Br. sh Aluminium for 199m the price of coal burnt in others.



MR DONALD MILLER stout in defence

Scottish price to domestic com- are partially offset by the sumers in 1980-81 was 3.643p a generally higher cost of kilowatt hour, only 85 per cent. Scottish coal. of the 4.221p a kwh charged in England and Wales For industry, the gap was much less your Scotland enjoying a 2 two cent price advantage.

Reasons for the price often include the fact that Sections contains a high percentage of the UK's hydro-electric power vided by relatively greap aluminium plants



are somewhat cheaper than in nuclear plant. However, the Aluminiuo's at lovergordoo, the rest of the UK. The average SSEB says that these factors. Alcon's in Northumberland and centrally higher cost of

But although Scotush electricity prices generally compare favourably with the rest of the up to half the cost of smelting UK they have hit the headlines recently as a result of British. In the case of Invergordon, Municipal's decision to close British Aluminium agreed to lawergordon.

British Aluminium's move plant - the responsibility if was the climax of a long and B nuclear station completed in the northern board — which complex sage stretching back to produces electricity very the late 1960s when the then cheaply. A high properties of Labour Government promoted Scattand's power as also protein construction of three

Anglesey Aluminium's near special arrangements to ensure they got cheap supplies of electricity, which can account for

pay for part of the construction costs of the SSEB's Hunterston your costs will also be." 1976, in return for a guaranteed supply of electricity.

aluminium.

But the costs of nuclear three power have not worked out as system generating costs.

Of over 80 per cent—the actual of his most important chalBritish cheaoly as was expected in the —The construction of Turness. production of units as a perlenges. three power have not worked out as system generating costs.

late 1960s. At the time of Closure last December, British AGR nuclear station at Torness, Aluminium faced power charges on the Scottish east coast. It is one of 1.67p a unit—very low by one of two AGRs—the other is nuclear league table. of 1.67p a unit—very low by the standards of other UK industries but high compared to those facing aluminum smelters in countries such as Canada. with abundant supplies of

cheap energy. -Power station capacity. The Invergordon closure means that the SSEB has lost its largest customer at a time when it already has substantial excess generating capacity.

Any electricity utility has tobave more generating plant than the maximum demand on its system, so that the additional capacity can be brought into service when plant fails or is serviced. When ordering new plant in the UK, the aim is to have 28 per cent more plant than is necessary to meet maximum demand at any one

However, the SSEB has about 3n per cent more plant than necessary to meet this 28 per cent requirement. The over-capacity is the result of over-optimistic forecasts of demand growth in the late 1960s and carly 1970s when new power stations were ordered—just a few years before growth rates dropped sharply.

But Mr Miller says that people who criticise the Board for excess capacity miss the point: "it's about time this thing was got in proper perspective. What really matters is achieving the lowest possible costs. It is wrong to assume that because your plant margin is bigger,

The closure of Invergordon demonstrates the point, since it will mean a higher plant margin but-as indicated above-lower

one of two AGRs—the other is at Heysham in Lancashire—for which the Government gave the first AGRs to come into operago-ahead in late 1979.

Construction of the 1320 MW

station began in August 1980

and the project is on target to produce its first commercial load in early 1987. The SSEB says that it is still within its March 1980 price tag of £1.097bn, allowing for inflation.

However, the sluggish growth now expected in electricity demand means that the station will not be needed on capacity grounds until well into the cocling wate system of one of the reactors. Mr Berridge, the recently retired chairman, describes this as "my most traumati experience by a long way. I happened within a few month of my taking on the job. cost u money and put us in the lime light."

The accident put the reactors. grounds until well into the 1990a. Why, theo, is it being built now?

The SSEB says that is is justified on purely economic grounds since nuclear power is cheaper than coal or oil-fired plant. It argues that by building Torness early it will get a dis-counted cash flow advantage of some £400m herouse this enables oll fired plant to be run

But not everyone is quite so confident. In a report last year on the Government's nuclear atrategy, the House of Com-mons Select Committee on Energy expressed surprise that the Scottish Office had not reexamined the economic case for Torness in the light of the SSFB's big plant margin and said there was "undoubtedly a case" for not ordering two

-The operation of the SSEB's existing nuclear stations.
Hunterston A one of Britain's first generation of Magnox nuclear stations, came into operation in 1964 and has per-

AGRs.

tion-has not been so trouble occurred in 1977, when seawater got into the cooling water Mr Berridge, the recently retired chairman describes this as "my most traumatic experience by a long way. It happened within a few months

Hunterston B-one of the

of my taking on the job. cost us money and put us in the lime-light." money and put us in the limelight."

The accident put the reactor
out of action until 1980. But
the SSEB saya it is now very
satisfied with the plant's performance. In the financial year
to last Marcir the reactor
affected by the seawater bad a
load factor of over 70 per cent.
Mr Miller says that this
would have been nearer 90 per
cent if the plant had had "onload refuelling"—the ability to
refuel without shutting the
reactor down. The aim la to
introduce on-load refuelling
later this year.

later this year.
Hunterston B was also downrated early in its life (from the 660Mw each unit was designed to put out) because of fears of steel corrosion. But Mr Miller says these fears have largely proved unfounded and be

expects that the plant's rating will rise from about 580-590Mw per unit now to about 640Mw by the mid-1980s. "We're very pleased with the plant," he adds. "It gives us great confidence Torness is

But Torness still has to be formed extremely well ever built on time and to cost a job since. It has had a load factor which Mr Miller regards as one

going to be a first class

# 1 cuts

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Section

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Action 18 September 2

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 $A = \{1, \dots, M \in \mathcal{M}^{(n+1)}\}$ 

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# New chief at Wimpey



December 1981. Mr Chetwood is chairman of the executive board of George Wimpey and a director of Wimpey Property Holdings.

J. BIBBY & SONS has appointed Mr. George Helsby to its board as a non-executive director. Mr Helsby is chairman and chief executive of Burnett & Hallamshire Hold-

ESTATES AND GENERAL INVESTMENTS has appointed Mr Peter B. Prowling to the non-executive chairmanship the non-executive chairmanship following the retirement of Mr John K. Laurence. Mr Laurence, who has completed seven years as chairman and director to concentrate on his other and increasing responsibilities. Mr Peter N. Berry, who remains as finance director, also becomes finance director, also becomes deputy chairman. Mr David W. Bloomfield, general manager, and Mr Roger Dossett, have chairman of the executive board.



# Babcock Product Engineering busy in Scotland

UNITED GAS INDUSTRIES appointed marketing director and Mr J. R. Francis directors director. Of ASSOCIATED of Teddington Bellows.

J. BIBBY & SONS her

has been awarded a £610,000 contract by The Anchor Housing Association to build 36 flats with warden's accommodation at Wythenshawe. Greater Manchester. The company bas also been awarded a £545,000 contract by The Royal British Legion Housing Association to build 25 flats and warden's accommodation at Swinton.

JOSEPH NADIN CONTRACTING Manchester-based industrial insulation company, has won contracts worth about £500,000 for insulation maintenance work at the Shellhaven refinery in Essex and at CEGB Willington for insulation maintenance work at the Shellhaven refinery in Essex and at CEGB Willington power station near Derby.

Mr C. J. Chetwood bas been appointed chief executive of GEORGE WIMPEY. He remains sille for the UK construction. Mr Chetwood was appointed chairman of the group appointed chairman of the group in 1979 be became a group in 1979 be became in 1975.

Workering the listed to be made over the next three years.

A glazing contract worth more than £7m of the mistall at the Ulster Hospital as well as the Ulster Hospital in Charke CON-Ordinate for the made over the next three Port of Workington. Th less steel.

supply a complete energy and \$700,000 contract from Cable building management system for and Wireless for the supply of the University of Surrey has been won by SAUTER ATTROPTA the University of Surrey has "RAPAC" microwave radio been won by SAUTER AUTOMA-equipment which will make a TION. The contract covers contribution to the Mercury TION. The contract covers installation of the EY computerinstallation of the EY computer telecommunications project by based building automation and energy management system, which will provide facilities for —initially in London. "RAPAC" monitoring maintenance requirements, fire and security.

OARWOOD GROUP, vie its
civil and electrical engineering
subsidiary, Clough Smith, has

company. years and are valued at around £1.2m.

\* HALFACRE AND YOUNG with screens and storage, for the new building, which is expected to open in November. Industrial units at Watlington Industrial Park. Watlington, Oxfordshire, under worth £400,000.

\* Watlington, Oxfordshire, under a contract worth £400,000.

a contract worth £183,000 for the maintenance for the first two years of the heating, ventilating and electrical systems of the Burrell Gallery to be opened by the City of Glasgow district council next year.

CARSON OFFICE FURNI-TURE bas been awarded a contract worth £172,000 for the supply of office furniture for new offices for the British Technew offices for the British recin-nology Group at 101. Newington Causeway, London. The contract Includes freestanding and screen-mounted systems furni-

chairman of the executive board been appointed to the board the following appointments: First Reger Dessett, have the chairman of the executive board been appointed to the board the former as managing director of Wimpey Property Holdings.

TULLETT & RILEY INTERTULLETT & RILEY INTERMATIONAL GROUP has made from the board of MIDDLETON, the following appointments: First Reger Dessett, have been appointed to the board the board the board the board the consultant on indusprovide clean room facilities in three bospitals bave been gained by the Bolton-based AEROLOGY by the DoE, for the supply of for the design, supply and each; one workshop units of the location appointments: First Reger Dessett, have been appointed to the board the board of the board of the board of MIDDLETON.

Str Derek Extra Str Derek Reger Dessett, have been appointed to the board the board of the board the board of the board the board of the consultant on indusprovide clean room facilities in three bospitals bave been gained by the Bolton-based AEROLOGY by the DoE, for the supply of for the design, supply and each; one workshop units of the location appointment as chairman of the following appointments: First Reger Dessett, have on the Mullacott Cross Industrial annum.

Str Derek Extra Str Derek Extra Provide Clean room facilities in three bospitals bave been gained to the board of the dosign of the design, supply and each; one workshop units of the dosign of the design, supply and each; one workshop units of the dosign of the design of the dosign of the design of the design of the dosign of the design of the design of the design of the dosign of the design o

out of the entrance hall and boardroom for the offices at 60 UTILICOM has been awarded Charlotte Street, W1. Work bas started and the contract period 15

13 weeks.

MUIR WILSON INTERNATIONAL, Jersey, have been awarded a contract by HVA Holland Agro Industries, for the design of the civil engineering works associated with the Khartoum Integrated Poultry Project in the Sudan. The project is legeted 25 km south of ject is located 25 km south of Khartoum on the main Jobel Aulie road end is being carried out as a turnkey contract for the Arab Sudanese Poultry Company which is an operating company of the Arab Authority for Agricultural Investment and Development. Phase one of the project will consist of the development of the 2,000 hectare eggs and 2.1m broilers per annum. The Muir Wilson Inter-netional involvement will include the dosign of foundations for about 54,000 square metres of buildings end of the civil engineering works for roads and

OPERATING RESULTS:

milled (t) \_\_\_\_\_id produced (kg)

riebi (g/t) .... Price received (R/kg) ....

Cramitled (t)

Gold produced (tg)

Yield (g/t)

Price received (R/kg)

Profit (\$1000's) ... .. .. .. ..

Profit before tax and State's share

Tax and State's share of profit ....

Profit after tax and State's share.

Capital expenditure 22,558
Dividends: ominary shares 27,761
A\* shares 17,801
Loan levy refund (1975)

Uranium Oxide:

Profit (R/tmffled) :-

# Gold Fields Group

#### JUNE QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

(formerly East Drivionisia Gold Mining Company Limited)

ISSUED CAPITAL: 162,000,000 ordinary shares of R1 each, fully paid.

104.58

73,729

113.34

21,003

755,332

7,714

2751

122,798

32,658

has been to reduce the aggregate amount payable in respect of tax and State's share of profit by some RSB milkion. This amount has been brought to account in this quarter. However, the consideration underlying the transaction is subject to review by the Government Mining Engineer and, depending on his rating, the net the serving may require some adjustment.

GRANT OF NEW MINING LEASES! As announced in the press on 2 July 1982, the Minister of Mineral and Energy Affairs has approved in principle the grant of both the Morth Driefontein lease in respect of an area of approximately 30 hectares which adjoins the northern boundary of the East mine and which has been held by this company under prospecting permits with permission to mine. The new lease areas will beworked conjointly with the existing lease areas tiffue East mine and the Wast mine, and the consolidated lease area will be subject to a uniform lease consideration from 1 July 1981 calculated in accordance with the existing East mine's formule. A capital situated in accordance with the existing East mine's formule. A capital situated acquidated in accordance with the existing East mine's formule. A capital situated in accordance with the existing East mine's formule. A capital situated acquidated of the consolidated lease area, in consideration for the casion of the North Driefonstan lease from Gold Fields.

Mining and Development Limited to this company, 7,382,000 "A" situates of R1 each water allotted on 30 June 1982 to that company and its nomines and, following payment of the dividend onthe "A" shares, to which reference is made below, such shares were converted into 7,362,000 July paid ordinary shares of R1 each. The issued capital of the company is now as shown aboye.

DIVIDENDE: A dividend (No. 18) of 125 cants (67.84600p) per driftney share were

DIVIDENDS: A dividend (No. 18) of 135 cents (67.94600) per diffinery sharew declared on 3 June 1962, psyable on or about 4 August 1962 to membe registered on 25 June 1962, A deferred dividend of 235 cents per "A" about equivalent to the aggregate of the dividends per ordinary share declared a Becember 1981 and 8 June 1982, was declared and peld to the holders of the statement of the control of the share and the statement of the

CAPTAL EXPENDITURE: Capital Superditure for the quarter includes a non-redeemable amount of R7,362,000 in respect of the acquisition of the North Direformin mining lease. The unexpended betanon of authorised capital expenditure at 30 June 1962 was R363.4 million.

SHAFTS: No.4 Sels-Vertice! Shaft—E: The staft was sunk 100 metres to a depth of 580 No.5 Sheft - E: The sheft was sunk to a depth of 354 metres below collar.

No. 8 Terdary Shaft—W: The excevation of the headgest portion of the shaft above 24 Level has been completed. Development on 26 Level has reached the shaft position and is in progress on 28 and 30 Levels towards the start position. This shaft will be an auditory hoisting shaft and is an alternative to the previously proposed despecting of No. 6 Sub-Vertical Shaft—W to 34 Level.
No. 7 Shaft—W: Pro-sinking operations have commenced.

ONE RESERVES AT 30 JUNE 1982: The detailed one reserves will be published in the annual report. At the prevailing pay, limits the reserves are as follows:—

Tonz (000's)

5,269 1,399 1,728

Tons (000's)

2.232

12,196 4.7

Pay Linet (g/t)

47 47 47

175. 115 157

Pay Limit Width Value (g/t) (om) (g/t)

59 114 252 59 168 150 69 146 82 59 105 \$4

7,616 E.S 131 19.1 2,502

On behalf of the board R.A.Plumbridge C.T.Fenton

.123 8.6 7.0

163 15.6

3,202 968 1,099

2.573

East Oriologistele:

Total and are

6July 1962

307,300

2,820,060 36,053.1 12.8 72,270

111.04

443,418 124,188

319.249

2,875,000 40,502,4 14,1 12,280 172.79

499.559 142,364

357,305

0,122

676,554

7,502

11,742

695,799 66,141

. 761,940 402,315

359,625

93,824 -222,390 17,301 5,756

78797 - 12638

151.99 43.86

708.33

76,374

720,000 10,200,0 14,2 11,770

84,293

0,182

160,667

1.047

2.890

165,204 18,185

183,389 106,904

76,485 16,935

# BREFORTEN CONSOLIDATED LIMITED BOORNFONTEIN GOLD MINIBIG COMPANY LIMITED KLOSF GOLD MUNING COMPANY LIMITED

188UED CAPITAL: 10,000,00	() shares of R1				
	Otz. ended 36/8/1982	Otr. ended 31/3/1982	Year unded 30/6/1992		
OPERATING RESULTS:		4			
Gold:					
Gold produced (kg)	366,000	365,000	1,458,000		
30-147-64	2,818.8	2,928.0	11,588.3		
Yield (g/t)	77,515	31.825	72.292		
Revenue (R/t milled)	38,85	94.77	. 97.87		
Coet (R/tmiffed)	54.63	51.02	51,72		
Profit (R/tmilled)	. 34.22	43,75	46.15		
	-	-			
Revenue (R000's)	32,521	34,684	142,700		
Cost (R000's)	19,996	18,673	75,414		
Profit (R000's)	12,525	16.011	67.206		
MANCIAL RESULTS (RODO'S):	12,525	16.011	-		
Net sundry revenue	2,853	2,817	67,286		
Marcanitot A Land (10.4)	2,000	2,017	10,487		
Profit before the and State's share .					
of profit . see on me me ere in me	15,478 ·	18,828	77,783		
Tax and State's share of profit	3,628	7,672	27,235		
Profit after text and State's share			100		
of profit	72,450	11,156	50.547		
	2 200	-			
Capital expenditure	12,000	5,150	27,854		
Loan levy refund (1975)		790	730		
manufaction in the ma		200.			
	:				

DIVIDEND: A dividend (No.51) of 120 cents (60.39644p) per share was declared on 8 June 1982, payable to members on or about 4 August 1982. CAPITAL EXPENDITURE: The unexpended by penditure at 30 June 1982 was R132.3 million-OPERATIONS: The yield has declined in response to lower average values now preveiling in the underground workings.

No. 3 Shelt: The shelt was sunk 188 metres to a depth of 871 metres below

No. 3 Sub-Vertical Shaft: Development work associated with the upper portion of the shaft is continuing.

No. 3 Vertiletion Shaft: The shaft has been raise-bored to its final depth.

Preparations are under very to commence sliping and lining the shaft to its final on comments of the second of the detailed or reserves will be published in the annual report. At the prevailing pay limit of 6.2 grams per ton the reserves

			STOP	
Classification	Tons	Width:	Value (g/t)	cm.g/t
Carbon Leader Main Reef	3,184,000 1,112,000	103 116	11.0 10,2	1,194 1,181
Total and averages	4,296,000	110	10.8	1,183
	On behalf	of the bo Fenton Janisch	1.5	iors

6 July 1982

#### **YENTERSPOST GOLD MINING COMPANY LIMITED**

ISSUED CAPITAL: 5.066	000 shares of RL	each, fully paid	d.
	Otr. ended 30/6/1982	Ott. ended 31/3/1982	Year ended 30/6/1962
OPERATING BESULTS: Gold:			
One milled (t)	3/5,900	375,000 1_635.1	1,474,000 6:120.1
30-14 7-14 V	4.0	41	4.2
Price received (R/kg)	11,384	11,979	12,245
Revenue (R/tmilled)	52,41	49.15	50.02
Cost (R/t milled)	46.96	45.23	45.52
Profit (R/t.milled)	5.66	3.92	5.46
Revenue (R000's)	19.654	18,430	75,142
Cost (R000's)	17,572	16,962	87,057
Profit (R000's)	2,082	1,468	8,045
FINANCIAL RESULTS (RODO's):	:		
Working profit: Gold	2,082	7,468	8,045
Profit on sale of pyrite	176	121	617
State assistance	141	7,008	1,536
Net sundry revenue		1,088	3,711
Profit before tax	2,230	3,635	13,803
Tax (non-raining)	462	515	1,766
Profit after tax	2,878	3,170	12,037
Capital expanditure	1,154	1,483	5.296
Dividend	2,777	-7	4.545
Loan lovy refund [1975]		144	144

VIDEND: A deridend (No. 84) of 56 cents (27.68170p) pershare was ors on or about 4 August 1982. CAPITAL EXPENDITURE: The unexpended belance of authorised capital ex-penditure at 30 June 1982 was RTLP million. OPERATIONS: Unexpectedly high values were encountered in certain stope panels on the Varietedoop Contect Reef horzon during the quarter. MIDDELVLEI PROJECT: Because of the prevailing economic conditions, work has been suspended in the Middelviei aras.

ORE RESERVES AT 20 JUNE 1982: The detailed one reserves will be published in the annual report. At the prevailing pay limit of 4.4 grams per ton the reserves

i		!		STOPE	
	Clemification	Tons	Wichth (cm)	Value (g/tj	eng/t
	Main Heef Vectorsdorp Contact Reef	4,803,000 1,663,000	154 160	5.6 7.7	962 1,232
	Total and averages	6,405,000	158	6.1	952
		On behalf of t	he boerd	ı ·	· ·

# ISSUED CAPITAL: 30,240,000 shares of RI each, fully paid.

		20/6/1982	31/3/1982	30/6/1982
	OPERATING RESULTS:			
	Gold:		11 2	
	Ore milled (t)	470,000	. 424,000	1,298,000
	Gold produced (kg)	6,956.9	. 6,287,6	28,076.1
	Price received (R/kg)	14.8	14.8	14.8
	Calculatorism fandla we en er	11,515	11,814	72,316
	Revenue (R/t milled)	170.87	175.64	182.54
	Cost (R/t milled)	'61,77	65.46	57.88
	Profit (R/tmilled)	109.10	110,18	124.66
	and the second	The residence of the last of t	Service of the last of the las	
	Revenue (ROOG's)	80,312	74,470	346,648
	Cost (R000's)	20,034	27,752	109,910
	Profit (R000's)	51,278	46,718	236,739
	distributed by an en by by	District of the last		· hardy do
	HINANCIAL RESULTS (ROQO's):			
	Working prolit: Gold	B1,278	45,718	218,739
	Recovery under loss of profits			
	insurance me me me me me		3,600	3,600
	Net sundry revenue	5,816	5,780	21,734
	Profit before tax and State's share			
	of profit	67.094	56,098	262,073
	Tax and State's share of profit	28,120	27,960	143,980
		-		
	Profit after tax and States after	28.574	28.138	178,093
	: of proffc	20,354	20,130	110,000
	Capital expenditure	11,794	10,596	37,836
	Dividend	45,360		81,84B
•	Loanlevyrehind (1975)	_	558	1998

DIVIDEND: A dividend (No. 25) of 150 cents (75.49556) per there was declared on a June 1982, payable to members on or about 4 August 1982. CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 June 1982 was R214.9 million.

PRODUCTION: As reported in the press on 4 May 1982, an underground fire was discovered in the 55 Longwell on 3 May 1982, which resulted in the temporary cassation of mining operations in the longwall and in the whole of the southern area of the mine above 24 Level. The affected area, which was sealed off, has since been re-opened.

SHAFTS: No.3 Sub-Vertical Shaft: The shaft was sunt 132 matres to a depth of 349 metres below collar. 35 Level station has been cut. No. 3 Sub-Ventical Ventilation Shaft: The shaft was sunk 135 metres to e depth of 253 metres below coller. ORE RESERVES AT 30 JUNE 1982: The detailed ore reserves will be published in: nuel report. At the prevailing pay limit of 6.4 grams per ton the reserves follows:

	1		STOPE	<u> </u>
Classification	Tons	Width (cm)	Value (g/t)	cmg/t
Ventersdorp Contact Reef Klouf Reef	3,483,000 198,000	147 186	20.5 10.7	2,014 1,990
Total and averages	3.681.090	149	28.0	2.980

On behalf of the board C.T. Fenton } Directors 6July 1982

#### DEELKRAAL GOLD MINING COMPANY LIMITED ISSUED CAPITAL: 99,540,000 shares of 20 cents each, fully paid.

OPERATING RESULTS:	Qtr. ended 39/6/1962	Otr. ended 31/3/1982	ended 30/6/1982
Ore milled (t)	335,080 1,635.2 5.1	315.000 1,482,4 4.7	1,861,800° 8,512.7 4,6
Price received (R/kg)	11,444	11,803	12,485
Revenue (R/t milled)	58.12 48.57	85.72 49,83	57.30 47.40
Profit (R/t milled)	9.15	5.89	9.50
Revenue (R000's)	19,470 18,404	17,552 15,697	196,644 88,212
Profit (R000's)	3,066	1,855	18,432
FINANCIAL RESULTS (HODO'S): Working profit: Gold	2,086	1,855.	18,432
Verendrik langs con	822	829	3,891
Total Frofit	2,888	2,584	22,323
Capital expenditure	4,426	4,397 56	. 18,153 56

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 June 1962 was R38.3 million. NO.1 SUB-VERTICAL SHAFT: Preparations for the deepening of the shaft were ORE RESERVES AT 30 JUNE 1992: The detailed ore reserves will be published in the annual report. At the proveiling pay limit of 5.1 grams per ton the reserves

		1		STOP	
	Classification	Tons	(cm) Width	Value (g/t)	cmg/t
	Venteradorp Contact Reef Declarat Reef	875,000 254,000	154 174	7.5 6.4	1,155 1,114
-	Total and averages	1,129,000	159	7.3	1,161
,	Ont	behalf of the C, T. Fento P. R. Janis	in J	Directors	

# LIBANON GOLD MINING COMPANY LIMITED

	Otr. ended 30/6/1982	Qtr. ended 31/3/1982	Year ended 30/6/1982
OPERATING RESULTS:	G0/0/1382	377377302	20/01 start
Gold:			
· Oremitled (t)	420,000	420,000	1,680,000
'Gold produced (kg)	2,684,4	2614.5	10,424,0
Yield (g/t) in an an an	6.4	6.2	6.2
Price received (R/kg)	T1,509	11,756	12,257
Bevenue (R/t milled)	73.73	73.35	7822
. Cost (R/t milled)	44,28	42.80	42,15
Profit (R/t milled)'	29.45	30.55	34.07
	Distriction.		-
Revenue (R000's)	30,965	30.808	128,054
Cost (R000's)	18,598	17,976	70,817
Profit (R000's)	12,367	72,832	57,237
FRANCIAL RESULTS (RODD's):			
Working profit: Gold	12,367	<i>12,832</i>	<b>57,237</b>
Net sundry revenue	2,430	2,258	8,527
Profit before tax and State's where			
of profit	24,797	15.090	65.764
Tax and State's share of profit.	4.224	3,900	20,506
		7,000	
Profit after tax and State's shore			
of profit as as see see see	10,573	71,190	45,254
to be to the second			
Capital expenditure	6,320	5,917	25,917
Dividend.	11,112	_	17,462
Loan levy refund (1975)		4024	464

DIVIDEND: A dividend (No. 63) of 140 cents (70.46252p) per sham was declared on a June 1982, payable to members on or about 4 August 1982. CAPITAL EXPENDITURE: The unexpanded belance of authorised capital ex-penditure at 30 June 1982 was R153.0 million.

SNAFTS: No. 4 Shaft: Full-scale sinking commenced at the beginning of June and the shaft was sunk 57 metres to a depth of 117 metres below coller; No. 4 Sub-Vertical Shaft: Equipping of the shaft and the change-over to permanent hoisting errangements are in progress. No. 4A Service Shaft: Final preparations for commissioning the shaft are in

ORE RESERVES AT 30 JUNE 1982: The detailed ore reserves will be published in the amoust report. At the provailing pay lumit of 4.5 grams per ton the reserves

		<u></u>	STOP	
Classification	Tons	Width (cm)	Value (g/t)	¢m.g/t
Ventersdorp Contact Roof Main Reef Haburg Reef Kombariey Reef	2,622,900 3,934,000 803,000 140,000	148 134 238 152	14.2 0.2 6.3 6.9	2,102 831 1,499 1,049
Total and averages	7,299,000	144	9.1	7,310

6 July 1982

On behalf of the board P.R.Janisch } Directors

#### **VLAKFONTEIN GOLD MINING COMPANY LIMITED** ISSUED CAPITAL: 6,000,000 chares of 70 cents each, fully paid.

	Otr. ended 30/6/1982	Otr. ended 31/3/1982	78 mosths ended 30/6/1982
OPERATING RESULTS: Gold:	Sect inter-	911311305	20101 1345
Ore milled:			
from surface dumps (t)	118,054 78,946	702,117 "89,883	508,294 510,708
total milled (t)	195,000	192,000	1,119,000
Gold produced (kg)	241,3	236.1	1,327,0
Yield (g/t)	1.2	1.2	1.2
Price received [R/kg]	11,185	12,200	12,495
Revenue (R/t milied)	13.87	15.04	14.85
Working cost (R/t milled)	9,52	9.85	9.15
Rock purchased (R/t milled)	1.92	3.28	2,74
Profit (R/t milled)	2,43	1.91	2.96
Revenue (R000's)	2.704	2.888	40.00
	1,856		16,615
Working cost (R000's) Rock purchased (R000's)	374	1,892 530	10,238
Note brugates troops)	3/4	630	3,059
Profit (R000's)	474	365	2,317
FINANCIAL RESULTS (RODD's):			
Working profit: Gold	474	346	3,317
Net sundry revenue	381	426	1,630
Profit before tex	856	792	5,147
Tax:			44,40
Formula tax	332	277	2.058
Non-mining tax	112	121	542
Excess recoupments tax	1		152
Profit advertax 🔔 🚙 🛶 🛶	404	.386	2,381
Net recoupments of surface capital	-		_
expenditure	•	_	
Dividend	1.200	7	325
Loss levy refund (1975)	1,294	75	2,700

DIVIDEND: A dividenti (No.75) of 20 cents (18.85607p) perehem was de 2 June 1982, payable to members on or about 4 August 1982. CAPITAL EXPENDITURE: There were no capital expenditure commisments at 30 June 1982.

On behalf of the board

NOTE: Copies may be obtained from the United Kingdom Registrar: Hill Samuel Registrars Limited, 6 Greencoat Place, London, SW1P 1PL

PRIME MINISTER'S QUESTIONS

# Intervention in rail strike ruled out 'belt-up'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MRS THATCHER made it clear in the Commons yesterday that she had no intention, oow or in the future. of intervening to settle the train drivers' strike.

The handling of that strike must be left to the board of BR," she insisted. "It cannot be done in this House or at No 10 Downing Street."

She was replying to Mr Michael Foot, the Labour leader, who said the hoard could end the stoppage by agreeing to the Aslef proposal to accept flexible rostering on an experimental basis in some areas Mr Foot repeatedly stressed that this was very similar to the original proposal put forward by the board itself on June 25. "Will you look at the matter and try to get a proper settle-ment?" he asked

Mrs Thatcher also pinned ome of the responsibility for the strike on the Labour Party, whose attitude, she implied, had encouraged such action.

What we can do is lay down an important principle," ahe said. "It is totally wrong, as the Labour Party has frequently done, to try to encourage unions to believe there can always he him that the "stupid strike" more money without more effi-would only lead to increased ciency and proper work unemployment.

THE LABOUR PARTY'S

policy of abandoning the Trident nuclear missile pro-

gramme was backed for the

first time last night by Mr James Callagban, the former

Prime Minister, when he called in the Commons for

more resources to be devoted

to strengthening the Royal

Navy's surface fleet. In a speech which domin-

ated the final day's debate on

the Government's White Paper on defence he advo-

cated a reduction in the size

of the British Army on the

Rhine and a return to greater

emphasis on Britain's mari-

Mr Callaghan also lent his

powerful support to the

demands for the removal of

Mr John Nott from his post

He told the House: "I shall

not rest until he has been

moved from that particular

office and we have someone there who has a more basic understanding of where

Britain's national interests

are and where our strategic

It was not right, he con-tended, to regard the Falk-

lands campaign as a "one-

off" affair when experience

showed that so-called "one-off" situations could occur

of vital importance to Britain.

as Defence Secretary.

role really lles."



Norman Tehhit: denounces 'murdering of jobs"

Earlier an equally tough stance has been taken by Mr Norman Tebbit, the Employment Secretary. Sir William Clark (Con Croydon South) told

Callaghan urges removal of Nott

"The action of some union effort to solve the dispute. I leaders is industrial suicide and believe they are quite right to will only mean they are acting insist on the introduction of against the workforce they are supposed to represent," Sir William said.

Mr Tehbit replied: "The leaders are not committing industrial suicide. They are murdering the jobs of their members and their members will remember it."

In Prima Minister's Question Time, Mrs Thatcher said the country wanted a railway system of which it could be proud. There was considerable investment going on in BR, something like £3bn since 1976. Last year alone £350m had gone into the rail system.
"If investment is to con-

tinue on anything like that scale we must be sure it will secure a proper return," she emphasised. "We must therefore bave excellent productivity practices and not be dependent upon those which were agreed in 1919. Then there will be very much greater hope of an efficient railway." Replying to Mr Foot's demand

"The board has made every work practices."

believe they are quite right to flexible rostering and right to insist there cannot be any more money without greater

"I leave negotiations rightly to the BR board. The Government has stood behind the hoard in these negotiations."
The Prime Minister's reply brought derisive cries of "Chicken, chicken" from the Labour benches.

Mr Tim Smith (Con Beaconsfield) said that Mr Ray Buckton the Aslef leader, stated on radio yesterday that we were supposed to he living in a democratic country. "Isn't it time he introduced a little democracy in his union and consulted his members about this damaging dispute?" Mr Smith asked.

The Prime Minister told him: A number of Aslef members have made precisely the same point. A considerable number of them are now working because they give more imfor a settlement on the basis portance to serving the travel-of the experimental roster ling public than insisting on of the experimental roster ling public than insisting on scheme. Mrs Thatcher said: increased pay without improved

#### likely next year By Our Political Correspondent

**Compulsory** 

WEARING OF seat belts is now almost certain to be made compulsory by next March at the latest. The Government yester day laid before Parliament the draft regulations making the wearing of aeat belts compulacry for drivers and front-seat passengers in cars and light

The regulations will have to be approved by both Houses of Parliament and will meet considerable opposition from a vocal minority of members. But they seem almost certain to get through. The safety lobby at West-

minster has been trying to make seat helts compulsory for almost ten years. Last July, during the debate on the Transport Bill, the Commons voted in favour of the principle of compulsion by 221 to 144 votes. The Transport Act gave the Government the power to make the necessary regulations and last December the Department of Transport issued its proposed regulations.

After discussions with in-terested parties these have now been amended to allow some extra exemptions. Taxi drivers will be exempted, together with qualified drivers accompanying learners who are reversing and driving examiners. Exemptions will also be made for drivers and passengers in carse with defective seat belts.

The Commons will probably vote on the regulations before the summer recess. The vote in the Lords will probably take place in September. There will then he 23 weeks before the regulations come into force.

#### **Noble lords** invited to pub crawl

LAUGHTER broke out in the Lords yesterday when Min-isters were invited to a pub crawl in the cause of research. The call came from LORD CHELWOOD (Con) who wanted a Government spokesman, LORD LYELL, and his ministerial colleagues to see for themselves the varying measures of wine sold by the

emanding Government action under the Weights and Measures Act, to bring in new regulations on wine sales, he said the Ministers should "come on a pub crawl with me so that I can show them the error of their ways." ord Chelwood pointed out that the British drank 105m gal-

lons of wine last year. Lord Lyell agreed that the regulated sales of wine by the glass. "It does requira much consultation and it is difficult to obtain a reasonable measure of what constitutes a

glass.
"I understand there are two measures, the Anglo-glass and the Euro-glass and the Euro-glass and the Euro-glass is naturally considerably larger than the other one."

Lord Lyell said he would be grateful to except the instigrateful to accept the invi-tation to a pub crawl, "but in a purely personal capacity.

the Government in any such findings." heers greeted LORD DER-WENT (Con) when he asked: " Is it not patently clear this is one of the most important questions that has been put before your Lordships?" ARONESS TRUMPINGTON Norman Fowler, the Social Services Secretary, to find grounds bridge and realise that we are for re-opening negotiations on the NHS workers 12 per cent have regard for patients, the

would not wish to commit

(Con) asked if sherry was being investigated. "British Rail serve 14 glass of sherry out of a bottle, which is the equivalent of over £13 a bottle?" she said to gasps of astonishment.

Lord Lyell told her: "You are
extremely lucky if you can
obtain sherry on British Rail.

offered new talks if the unions I congratulate you on your called off their strike action, good fortune, ORD ARDWICK (Lab) com which has included four one-day plained of the "elastic restaurant carafe." It could

stoppages and selective indus-trial action by individual groups of bospital workers. f bospital workers.

On Monday, general secreBut Mr Fowler made it clear
aries, representing eight unions vary from a niggardly half litre to a dangerously gener-ous full litre." that the Governmenut was not with members in the NHS, prepared to improve on its latest agreed during talks with Mr offer of 7.5 per cent for murses Len Murray, TUC general secreand 6 per cent for ancillary staff tary, that vigorous attempts and other grades.

# would aid disabled

mittees had made a "notable DISCRIMINATION against dis-impression" but were only a abled people is just as big a abled people is just as big a problem in Britain as dis-crimination on grounds of race or aex. Mr Jack Ashley

won MPs' approval for the introduction of a Bill to outlaw unjustifiable discrimination against the disabled, but the measure is unlikely to become law because of shortage of parliamentary

disabled people were suffer-ing from a denial of human rights and were being burdened with the duel handicap of their dis ability and totally unjustifiable discrimination They were told by other people that they should stay st home and sometimes received the sack because work-

# Jobs loss fears boost youthful Aslef militancy

BY DAVID GOODHART, LABOUR STAFF

FROM the far end of the platform they looked like any group of teenage train-spotters. On closer inspection, the young lads gathered round the driver's cab turned out to he an Aslef flying

Most were drivers' assistants in their late teens—" The ones who are going to lose their jobs if flexible rostering gets in," as 18-year-old Mr Rick Morgan put

They failed to persuade Mr Paul Padgett, the driver, not to take his train from Charing Cross to Hastings. "I like driving and I need the money," he said tersely.

But the pickets remained confident. "We persuaded one driver down at Clapham Junction not to take his train out earlier today," said Mr Steve Forey, accretary of the Aslef No. 1 region council in London The group said that hillboard claims of "growing rail revolt"

were nonsense. "There may be more trains running compared to Monday but they bave just got fewer drivers working longer hours, said Mr Steve Good, 24-year-old assistant branch secretary at King's Cross.

None of the young pickets could contemplate a collapse of the strike. "Almost the only ones going in are the old guys with only a few weeks service left," said Mr Good.

That was certainly true of the driver from Leicester - anonymous of course - who was keeping a few travellers at St Pancras happy. He did not claim to be working out of any great point of principle. "I have got only three weeks

left and anyway Ray Buckton does not pay the mortgage," he said adding that more than half of Leicester branch's drivers wanted to work — and did not really care if it meant the death of Asief.

Most of the drivers taking an increasing number of trains out of the capital yesterday were not hased in London, where the union remains pretty solid.

Kings Cross is a particularly militant centre, as I discovered in the local BR staff club where a group of drivers demanded my immediate expulsion from the club on discovering I was journalist.

The young pickets were more approachable at Charing Cross yesterday. as they sang their "anti-scab" song to a bemused Swedish journalist and any commuters who cared to listen.

Tha final refrain was a clear warning to any working drivers: He thinks he'a patriotic, be Government was looking into thinks he makes the country division said it was running 200 reasonable ways of achieving tick. But he'll have to under-trains vesterday compared with stand that from the union He'll 70 on the previous day. be banned . . . be'a a blackleg,

Lowry, chairman of the

renewed approach to Mr Norman Fowler, the Social Ser-

Neither side appeared opti-

At the weekend, Mr Fowler

mistic last night about com-promise proposals that would

pay claim.

Acas to see Fowler

after NHS union talks

TUC HEALTH service unions committee and general secretary

yesterday called on Mr Pat of the Confederation of Health

Advisory, Conciliation and Arhi- Lowry had not given any indica-

tration Service to intervene in tion as to whether further talks the eight-week-old National were possible.

Health Service dispute.

After 21 hours in which the unions ontlined their case, Mr

Mr Spanswick was insistent that the TUC's decision to seek the intervention of Acas was not

Lowry agreed to make a an indication of weakness on the renewed approach to Mr part of the unions.

They then reverted to the cruder "We bata flexi-roster-ing" and went off to picket the extra coaches being laid on at Victoria coach terminal for BR Sealink passengers.

Before leaving, they explained in detail why flexible rostering would mean 4-to-12-hour days and not the publicised 7-to-9 Mr Good sise explained that

so many rail agreements hinge on each other that if the union gives way on the eight-hour day everything else-such as ainglemanning and no restrictions on mileage—would soon flood

He also predicted that with 30 per cent of drivers retiring in the next five years BR would soon he crying out for more There was anxiety behind the

strike euphoria. Mr Rick Morgan, 18, said: "If I loae my job because of flexi-rostering I'll be too old to get an apprenticeship anywhere else so we've got to fight on this one." They were all convinced that the new rosters would mean up to 10,000 job losses in the next few years.

Nick Garnett writes: Train drivers at Bury and Bolton became the first two Aslet drivers to defy their union yesterday following meetings at the two depots which voted to resume normal working.

The ten-station 91-mile ronte between Bury and Central Manchester was the first in the country in the present dispute to offer a virtually full service throughout the day.

More than 100 trains ran between Victoria Station, Manchester and the small industrial towns close to the Pennines compared with the 132 trains scheduled daily on the

Drivers at the Bury depot met late on Monday following a meeting with local management and took a majority vote to defy their union instruction. Some drivers who had voted

to continue the strike accepted the decision and operated trains vesterday. British Rail said it helieved few drivers had decided to continue the strike. Out of the 29 drivers based at Bury, a proportion of whom British Rail say are NUR members, 16 were working

The 18 drivers based at Bolton also voted to work normally. Nine were doing so yesterday, including, it is thought, one Aslef branch

British Rail's. Manchester Only 33

Service Employees, said Mr

public and our members," he

Earlier this month, Mr Lowry

The TUC Health Services

-acting in a personal capacity
-attempted to find grounds for

committee has already announced a three-day period of "intensified industrial

action" for July 19 to 21.

renewed negotiations.

part of the unions.

# Industry adapts to life without railways

Lynton McLain

INDUSTRY and commerce appeared yesterday to be adapting itself, without too much auxiety, to life without railways.

There are few commodities which cannot be moved hy road, as British Rail has discovered in recent years. Much of industry had aiready made alternative road and air transport arrangements in advance of last week's short-lived strike by the National Union of Railwaymen. These arrangements bave come into effect this week.

Heavy steel sections are dependent on rall transport and so are ore and coal. But the Central Electricity Generating Board has good stocks of coal and the weather to beginn demonstrate consumer. is keeping domestic consumption low.

A lengthy strike, however, would have a "knock-on" effect on stockplling for the winter, the Confederation of British Industry said yester-

companies switched custom to road transport. But certain chemicals depend on movement by rail Many companies, said the

CBI yesterday, had made arrangements to stagger deliveries and collections of freight by road. It may or may not be indica-tive of industry's reaction after the first three days of

the strike, that it was not even mentioned yesterday at a meeting in London of the CBPs smaller firms council, where the state of trade was on the agenda.

#### Car sharing

In London, of all Britain's major cities, is most dependent nn a suburban rall network for commuter transport. But with the Underground service operating this week and the growing use of car aharing and staggered bours, there bas been bigh attendance in offices and factories. The London Chamber of Commerce and Industry has surveyed about 50 companies, large and small, this week. Attendances on Monday averaged at least 90 per cent and the Chamber believes it was even higher yesterday. Some banks and other large

companies bave made hotel bookings for essential staff. but this is expensive and there bas been increasing use

hired cars for staff members to pool. Few companies reported serions difficulties in move-

ment of goods.

The National Coal Board received unconfirmed reports yesterday that "a certain amount of coal was moving by train." in spite of the strike hy the majority of train

Seventy per cent of the NCB's annual output of 120m tonnes of coal usually goes by rail with 82m tonnes used by power statious. Yesterday there was effectively no hulk movement of coal, the Board said.

#### Order books

The NCB has spare capacity on its stocking land, able to take a total of 21-weeks of coal production.

The British Steel Corporation has felt little effect of the strike of the strike by train drivers so far. This is largely because most BSC plauts are working at only 75 per cent of installed capacity, with much reduced order books and some steel products going by road.

The effects of a prolonged strike on the steel corporation are also likely to be mitigated by the start next week of the annual two-week holiday shut-down at works through-

out the country.
At some BSC plants, steel workers are likely to be asked to take a third week of their annual holiday to allow plants to remain closed if the strike goes on for weeks.

# quayside meeting

Mr Albert Spanswick, chair industrial action to include

man of the TUC Health Services workers outside the NHS.

morning

pensation for upheavel and an

The dockers are employed by the Mersey Docks and Harbour Company, which has closed its cargo-handling operation at

who are refusing to cross the to workers in Birkenhead where Mersey to work in Liverpool will no ships are involved and the

pay and conditions award for the Mersey dockers. The award annual travel allowance of £900. should have been implemented on May 1.

No statement was issued, but negotiations will continue with both the port employers and the matea did not want to work weeks after the transfer, which number of men in a working

#### Rig catering staff lift strike threat By Brian Groom, Labour Staff

By Brian Groom, Labour Stan
THE THREAT of a atrike hy
600 North Sea catering
workers, which could disput for oil rigs, has been delayed for three weeks Shop stewards agreed yester-

day at a meeting in Aberdeen to put to members without a recommendation a 7 per ceol pay offer on basic rates and offshore allowance, with some improvements in working conditions.

A strike was planned originally to atart on Sunday night, but the offer was raised from

THE MINISTRY of Defence has refused to tell relatives of the 124-man erew of the Falklands they can expect to see their loved ones, Mr James Callaghan

Endurance was due to be phased out and was to have spring. But when the Argentine invasion look place, Endurance stayed in the south Atlantic, joined up with the task force and last week was given an extended life patrol-

Mr Callaghan said in the Commons that representatives of families of the Endurance crew had asked him to find out when the men would be bome. They have been at sea continuously for nine months.

anxious and worried.

THE COMMONS should be

balance of public expenditure

within the proposed totals for each Whitehall department. Mr

Edward du Cann, chairman of

the all-party Treasury and Civil

Service Committee, argued last

Mr du Cann was giving evi-

dence to the Procedure tFinance Committee of the

Commons which is investigat-

ing possible changes in the way

that taxation, expenditure and

hor/owing proposals are con-

He was arguing in favour of

proposals to have a provisional

hudget in November ahead of

the normal spring budget, to

allow time io the interim for

the select departmental com-

mittees of MPs to make detailed

recommendations about the

constitutional practice wherehy

back beochers cannot recom-

mend an increase in public

expenditure overall or higher

sidered by Parliament.

Government's proposals.

the power to alter the

Endurance delay 'causes worry to relatives'

ice patrol ship Endurance, when claimed yesterday.
Before the Falklands crisis. returned to Britain in the

Mr Callaghan said the Defence Ministry had refused to give a satisfactory explanation of the delay to relatives, who were Mr Peter Blaker, Defence Minister of State, promised to

BY PETER RIDDELL, POLITICAL EDITOR

theory that resources were not needed to ensure the safety of the shipping lanes from north America because any war in Europe would almost certainly be a shortaharp affair lasting only a matter of days.

He also questioned the

Mr Callaghan said he was reinforced in questioning these assumptions because of the fact that Mr Nott had been appointed Defence Secretary because, unlike his predecessor Mr Francis Pym. he was prepared to operate within expenditure limits set by the Prime Minister.

It was because Mr Nott was unable to touch the Trident programme or cut the size of BAOR that it was intended to secure the whole of the planned savings in defence expenditure from the Royal Navy, with the surface fleet the main casualty.

Mr Callaghan recalled that

a year ago he bad refused to commit himself on the abandonment of Trident and promised to keep an open mind on the issue. He explained that ha had taken that position in the hope that it would be possible to find the resources needed to provide Britain with more

possible. The course he now favoured was prolonging the life of the Polaris fleet for as long as practicable and then relying on the U.S. to provide the

nuclear deterrent. But Mr Callaghan emphasised that he was still opposed to Labour's idea of banning U.S. nuclear bases in Birtain. He maintained that the defence policy devised by Mr Nott would result in unbalanced forces with serious potential danger for Britain's

Mr Callaghan endorsed the view that had there been time for Mr Nott's policy to bave carried into effect it would have been impossible for the navy to mount a task force such as that sent to the south Atlantie to recover the Falkland Islands. Mr Callaghan criticised the

service chiefs for failing to maite to oppose Mr Nott's policies. Instead, he said, there had been an unseemly scramble with each of them. defending his own service. The navy had come off worst. More details of the Falklands operation were disclosed by Mr Peter Blaker, Minister of State for the Armed Forces. He told MPs that Britain had suffered no losses

Reporting on the "outstanding success" of the Sea Harrier he said it shot down at least 28 Argentine aircraft
—about 23 had been fast
modern jets such as Mirages and Sky Hawks.

Even when outnumbered by a factor of two-to-one, as was often the case, Sea Harriers continued to outperform and out-fight the Mirage and the Sky Hawk."

Mr Blaker, attributed the success of the Sea Harrier to a combination of a highly anocuvrable and versatile fighter, a reliabla and capable missile, the Sidewinder, and above all, the resourcefullness, skill and courage of the young pilots who had fought in the highest tradition, of the Fleet Air Arm. Together with the RAF's

Harriers they had accounted for a total of about 36 Argentine aircraft in the air and on the ground. Mr Blaker sald one of the most remarkabla features of the operation for the RAF was the way in which air-toair refuelling had drama-tically lengthened its reach. He cited the Hercules

which had been making a regular shuttle of immensely long round trips to the Falk-lands and to the Task Force

## cluded that this was not Chancellor urged to resist calls for increased public spending

Du Cann backs idea of provisional budget

the Commons exerted greater tried to inject organcy in tha

THE CONSERVATIVE Party's speeding from a number of recognised, Mr Whitney claimed, Right-wing yesterday made its different fronts within the first move in a campaign to party.
stiffen the Chancellor of The In the resistance demands for increased public

speoding this antumn. Mr Ray Whitney (Con., Wycombe) and one of the lead-. ing organisers on the right, wrote lo Sir Geoffrey Howe yesterday claiming that the "great majority" of Tory back beochers were behind him in his determination to "hold the line and adhere to the Goveroment's counter inflationary

Another blg increase in spending plans in this year's public spending review would. he said, jeopardize the Government's hopes of progress on either interest rates or the tax

front, and would thus be "totally self-defeating." Mr Whitney's letter comes at a time when Sir Geoffrey is facing demands for bigher

taxes. His view was that the

specialist committees should be

able to recommend changes

within the global totals for each

Whitehall department-more on

prisons, for example, and less on

But there should be no scope

for increasing global budgets for

any individual department,

though the committees should

be allowed to recommend cuts in the overall budgets of parti-

Members of the procedure

committee, which is chaired by

Mr Terence Higgins (C. Con

Worthing) questioned him about the detailed implications

of these proposals for the way

that the Commons works, in

particular whether there would

be an overloading of existing

Mr du Cann stressed that the

Mr du Cann backed existing first priority was to ensure that of Commerce, Mr du Cann

committees and of MPs' time.

cular departments.

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

In the short term, the Government faces a sizeable rebellion next week unless it agrees to make good the 5 per cent cut in the real value of unemployment benefit.

In the longer term, the Treasury faces a much bigger problem over demands from Mr John Nott, the Defence Secretary, for an increase in the present 3 per cent growth tar-

get for defence expenditure. In his letter yesterday, Mr Whitney said that at present the Treasury appeared to be under usual to increase public spend-ing. Clearly, the Falklands operation had created a need

But most back benchers Government.

that there were other priorities for the Government's financing which were almost certainly more important from the point of view of getting the economy right. These included cutting taxes, and helping to reduce interest rates.

"I hope therefore that all our colleagues will accept that to relax our strategy now would be to throw away all bops of restoring our economy to health."

Treasury appeared to be under be prepared to vote against the even heavier pressure than Government if the amendment for additions to the defence ment, but the MPa acting as budget and equally cogent argu-ments could be found for fear that in the event there will restoring the 5 per cent cut in unemployment benefit. be enough absentees on the opposition side to save the

The organisers of next week'a potential rebellion over unemployment benefit believe that as many as 22 Tory MPs may relating to the cut is called. Technically this would be enough to defeat the Govern-ment, but the MPa acting as

ment of the new select com-

beginning.
"The real test of parlia-

ment's determination to gat its

bouse in order in accordance

with its historic duty is whether

we shall, in the next two years

before the general election,

reform our budgetary process

in the way in which some of

us on the hack benches are

stress on the fact that Govern-

the mto receive proper analysis

by MPs before they were put

into force.
"The estimates are too com-

to allow proper analysis or

variation at the option of MPs

and MPs are virtually excluded

from exercising any influence

plex and illogical in their form

Mr du Cann laid particular

determined upon."

# **Ashley Bill** to effect reform." Establish-

(Lah, Stoke on Trent Sonth) said in the Commons yesterday.

ment's expenditure proposals time.
were presented too late for Mr Ashley said far too many

# Mersey dockers call THE 250 Birkenhead dockers The dispute remains confined

into their claim for £1,500 com-

came into force on Monday.

hold a quayside meeting this rest of the port worked norm-Meanwhile day-long talks
Shop atewards are to give a were held by the Port modernireport on the outcome of talks sation committee on the annual

Birkenhead on economic transport workers union now grounds. They company has anxious to reach a settlement offered the dockers a travel . One of the major outstanding allowance for only the first four issues is on flexibility of the

6 to 7 per cent after intervention by the Advisory, Concilia-tion and Arbitration Service. The unions had claimed 12 per

Edward du Cann: greater

infinence for MPs

day, to the American Chamber

influence on the way that campaign to secure reform. He over the strategy, which public money was raised and said there was "a hrilliant directs Government's proposals spent.

opportunity in this parliament relating to revenue."

In an earlier speech yester-

# FINANCIAL TIMES SURVEY

Wednesday, July 7 1982

A slow growing world economy has forced France's Socialist administration to devalue for a second time and introduce wage and price controls. The long term policy of rebuilding French industry through massive investment remains; however,

# Government makes early mistakes

BY DAVID HOUSEGO

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IF YOU have not been in office for 23 years, mistakes are easy to make. The Socialists, who took office in May last year not really expecting to win the Presidential election and unprepared for power, have made plenty of them.

They badly misjudged the international economic environment. They thus brought on themselves a humiliating devaluation by reflating their economy while their competitors were deflating theirs. They engaged in an eventually untenable defence of the franc to the point of depleting France's foreign exchange reserves.

They have piled up for themload of debt by fully nationalising the major industrial groups and banks when they could have achieved the same goals by securing majority control.

Finally, they sought to create more jobs by cutting back the authorised week by an hour. But then President Mitterrand decided that employees should suffer no drep in pay from the change thus destroying the job creation effects of the measure while adding to industry's costs.

The economic misjudgments and the failure to take decisions in time have been slow to catch up with the Socialists. President Mitterrand came to power on a large wave of popular sym-pathy (which he still enjoys) and of distaste for the abrasive of former President Giscard d'Estaing.

His victory resulted from a preoccupation with issues of unemployment working conditions and leisure time that did. not really enter into M Giscard performance." d'Estaing's - harsher economic

They have plied up for them. Over the past year the French selves and unnecessarily heavy have seen their living standards. continue to rise (both through increasing wages and substan-tial rises in social allowances), holidays lengthened and the working week reduced.

The revolutionary changes that some expected (and others feared) from a government that included the Communists have not occurred (though the rich are having to pay considerably higher taxes). In fact among the Left's supporters on the factory shop floor there has been impatience that nationalisation or new rights for workers have as yet changed

#### Disappointed

But overall it was probably true until a month ago that predominantly bourgeols France having voted for a radical government was - as one observer put it-" content to be disappointed by the Socialists'

Almost certainly the Government will suffer a sharp drop structuring of French industry

French franc in June and the cut in living standards that is in prospect as a result of the current four months prices and wage freeze. The question now is whether it has fully taken on board the unpleasant economic realities of a slow growing world and is striking out afresh

Or will it veer from one expedient to another—on lines familiar to students of Britain's "stopgo" policies—with the risk against the background of France's more turbulent past of a radical explosion at the

in the right direction.

It would be nice to say that of the day in this the "second phase" of the Presidency. But M Pierre Mauroy, the Prime Minister, has managed overall economic policy a little like a bull in a china shop—lunging first towards expansion before lurching back towards a prices and wages freeze whose sev-erity has shocked even M Jacques Delors, the Finance Minister, long a protagonist of restraint.

M Mauroy now has the trade -with the partial excep tion of the pro-Socielist CFTD union—against him over the wages freeze. He has employers up in arms over the further squeeze on already much depressed company profits from the prices freeze. The Communists are uneasy at being mem-bers of a coalition imposing such unpopular measures. His own Socialist troops in the National Assembly are resigned to the measures as preferable to pushing up unemployment to 3m through the type of fough deflationary package that M Raymond Barre, the former

The major compensation to the Socialists from the type of stabalisation measures have taken are their hopes of salvaging their long term investment plans for the re-

Prime Minister, might have ad-

research under M Jean-Pierre and a shutdown of production? to more radical policies.

Chevenement Tha new policies however suffer from internal contradic-The government is attempting to bring down inflation by deflating tha economy—though it resists that label. But at the same time it wants to sustain the level of economic activity to maintain The measures have been initiation that is philosophically com-mitted to consultation and

they are having to be imposed by legislation that suspends col-lective bargaining agreements. The administration hopes that the freeze will be followed by a straint over the next 18 months. But as every country with experience of it knows, getting ont freeze is the most difficult

introduction of the 39 hour week

against wage claims by unions in the public sector that involve

Banks: independence under threat

Angle-French relationship:

Steel: further cuts on the way

hopes now entrusted to the new loss of market share by stand- would pull out of the EMS. On superministry of industry and ing firm against strike action that horizon France could lurch

The Socialists' gamble is that they can eventually win the unions' support because the working with a Government of the left and because purchasing power has gone up substantially over the last year. But the consensus in France grows more fragile with rank and file militancy on the increase in industry, racial violence surfac-ing in major cities like Lyon and Marseilles and the opposition now ready to pounce where the Government shows signs of

#### Controls

CONTENTS

unemployment likely to cloud relationship with Government II

Industry: why the Government has taken a leap in the dark.

Economy: GNP falls as economy plans come unstuck

Machine tools: imports mount as sector fails to adapt

Trade: things will get worse before they get better

M Edmond Maire, CFDT chief

Electronics: Mitterrand's weapon for the future

economically apart but politically united

Chemicals: industry under reconstruction

Profiles: M Yvon Gattaz, CNPF chief

Politics: Left braced for electoral losses

Editorial production: Mike Smith.

The risk is inevitably of a prices and wages explosion after the freeze or of tha administration being drawn into widening the system of controls to temper of a period of prices and wages new price and wage increases A more interventionist regime would almost certainly be more Will the Government hold out protectionist as well. Failure of the stabilisation would threaten a lengthy strikes? Will private sec- devaluation of the Franc and the

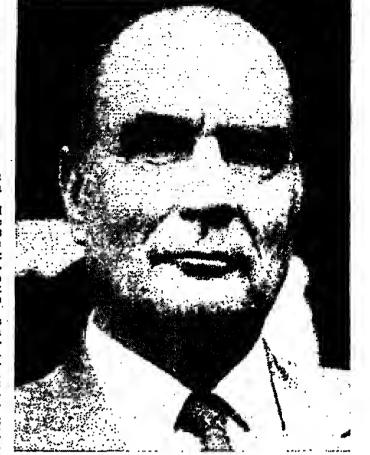
Design: Philip Hunt.

M Mitterrand has not ruled out the possibility of failure from his calculations. He has tried to stand back from close involvement in the management of economic policy. It is increasingly accepted that if the stabilisation package does not work, heads will fall in the M Mitterrand, however, has

his eyes fixed on the longer term and on the rebuilding and up-grading of France's industrial capacity through massive investment. It is a vision located somewhere between the beliefs of M Jean-Pierre Chevenement in a Japanese-style co-ordination between industry and Government and the views of M Jacques Attali, the Presi-dent's economic adviser, who bolds that the market economy can no longer provide the impulse to the restructuring and innovation that is needed. cluded in M Mitterrand's vision growth era of the 1960s.

As the problems have thick-Mitterrand looked more serene and happy in office. Long years in opposition have hardened him to adversity. But either he bas remarkable confidence in his long term goals (as President for seven years he stands a chance of being around longer than any other Western leader Thatcher or President Reagan?); credentials. or he is somewhat out of touch with reality. There have been some signs of the latter this year - in the sumptuousness of the Versailles economic sum-

be more prepared for concerted European action. That was unrealistic. Both the British and the Germans have remained sceptical of French economic



President Mitterrand: as the problems have thickened he has looked more serene and happy in office

mutual interest.

But M Mitterrand has good cause for resentment towards the U.S. He came to power hoping to surprise a conserva-tive U.S. administration nervous of the presence of Communists and who can say with certainty in the Government by the that he is more wrong than Mrs strength of his anti-Soviet

For if there has been a major change in French foreign policy it has been towards emphasising greater Western co-operaof the Versailles economic sumtion over security—as reflected mit, for instance, or in his in both the support President dogged determination to ignore Mitterrand gave Mrs Thatcher

> But he has found (as others in Europe) the U.S. uncompre-hending of the damage to

ened so paradoxically has M policy—which has not pre- U.S. interest rates and the vented a renewal of strong strength of the dollar. He is Franco-German ties ont of being pushed further by the U.S. towards cutting back trade French leader could accept.

He is angered by U.S. pro-tectionist measures over steel at a time when he is attacked by the U.S. over French and European protectionism. Both the Versailles summit

and M Mitterrand's intensive international travels this year underline his Gaullist preoccu-pation with France's role and stature in the world. The sad fact is, however, that France will be judged internationally dogged determination to ignore the run on the franc.

M Mitterrand hoped that his posing that Nato ministers at the end of President use at th in the last eight months testifies. These are still early times in M Mitterrand's Presidency. But he cannot afford too many

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THOMSON-CSF, the French-based electronics company with a turnover of S 4.36 billion 1981 generated by 82,500 employees, is tackling the revolution in communi-

cations technology on every front. The company, with 48% of its sales outside France, is continuing to consolidate its reputation as a global leader, in every industrial and government electronics. These include avionics, air-traffic control systems, medical operations and telecommunications. THOMSON-CSF's telecommunications activities account for 38% of the company's revenue and include transmission, switching, data processing

and key main components. Consequently, it is one of the world's few companies to possess the wide range of expertise essential to the development of major communications sys-

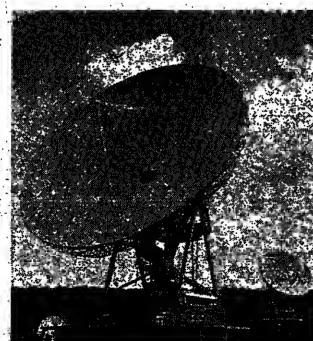
tems carrying voice, image, data and telex traffic over radio, microwave, conventional and optical-fiber cable and satellite links. In the area of satellite communications, in par-

ticular, THOMSON-CSF designs and builds integrated telecommunications systems and their component parts including satellite payloads, earth stations, a wide range of equipment, tubes, dataprocessing systems and

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#### Immediate future likely to be overshadowed by unemployment

# Unions remain wary of Socialists

"THE SOCIALIST experiment which have become worse since faction—that of M Michel cannot succeed without the late 1970s, make matters Rocard, the Planning Minister support of the trade unions," difficult for the Government.—oets in the way of the M Jacques Delors, the Finance Minister, said in a newspaper interview earlier this year. "H they prefer a return of the Right, they have only to carry on as they are doing."

A consensus with the main union federations — which, after all, supported the Left's election effort last year — is devotily wished but the unions have all kept their distance. In an unsettled labour climate marked by a series of muscular strike movements, notably in the motor industry and at the state-owned hank Societé Générale, the failings of uniongovernment teamwork were acutely shown up by the post-devaluation wage freeze.

President Mitterrand, who is said to have asked his Cabinet on several occasions how it about that the Government's relations with the unions were not better, had already proposed a "round table" discussion. Once the wage-freeze plan had been sprang on the unions, the round table, rather than laying the basis of an understanding, ended up demonstrating the absence of one.

#### Consultations

The event coincided with the CGT union congress in Lille. The leaders of the Communist-dominated confederation—the only one in France to have more than Im paid-up members —blew alternately hot and cold on government policies; the andience of delegates blew

After an inauspicions start, consultations on a national level are condemned to con-tinue through the period of the wage and price freeze - and afterwards: The Government, which has gone some way towards satisfying union demands on low pay, on working hours and on workers' rights, will have to work out some halance between "social justice" and the "acquired advantages" to which the majority of unions are firmly attached.

Although ...a. number of unionists were brought into the top staff of Ministries last year, links between the unions and the Socialist majority are tensious and many in the unions are suspicious of Socialist intellectuals and technocrats. Divisions between the unions

the late 1970s, make matters Rocard, the Planning Minister not insist on the maintenance difficult for the Government —gets in the way of this.

On the maintenance of "acquired rights" as a pre-Unlike the Left-wing political parties, they are not bound by any patched-up formal alliance. The first Labour Day of the Fifth Republic's first Socialist Government saw all the unions marching in separate parades.

Their conflicting approaches were at least partly responsible for the botched handling of the reduction in the basic working week to 39 hours. After a remarkably rapid agreement on principles last July, the ques-tion had eventually to be settled by decree, with little hope that the measure would lead either to an increase in jobs or to an improved use of machinery, as intended.

In the same way the Govern-ment has been obliged to draw up a series of compromises in its legislation on workers' rights. On the key issue of workshop councils or other new forms of industrial democracy in the private sector it has given the to discuss the alternatives-in the hope, once more, of a fruitful initiative from the unions.

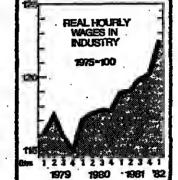
The problems are largely in-herent in the union structure. The national confederations are each more tightly knit than the British TUC but there are half a dozen instead of one.

The unions closest to the Government are the teachers' body, the FEN, whose former leader M André Henri was appointed to the Government last year in the originally entiled post of Minister of Free Time, and the CFDT, one of whose former top officials, M Michel Rolant, was recently put in charge of the Govern-

ment's Energy Control Agency. The CFDT, with a more moderate but also more imaginative line than the rival CGT, would have liked to strike up a privileged relationship with the Mitterrand administration, But its close connections with one particular Socialist

Its leader, M Edmond Maire, preaching "a policy of truth and rigour "which made him in the eyes of some "more Royalist than the King." scored a considerable success at the union's recent congress in Metz by securing a solid vote of confidence and keeping most of his leadership team together.

But internal divisions were also very apparent. M Maire was ettacked, for instance, for watering down the demand made at the last congress in 1979 for a 35-hour week without loss of pay. When the leadership proposed a thres-hold of FFr 3,900 (£330) a



month, below which workers should not lose pay for working a shorter week, delegates voted to double the level so as to cover some 70-75 per cent of private sector employees.

As a trade-off against any sacrifices to be made on the wage front the union is press-ing for rapid progress towards the 35-hour week, for a reduction in disparities between different categories and for an advanced degree of worker participation in the management of the nationalised sector,

One. of the key differences between its policy and that of

condition for any progress. The CGT, firmly set against the concept of "austersty," is hoping to use its tougher line to strengthen its position, par-ticularly in the nationalised companies.

The organisation has been going through a crisis of sup-port. Membership has fallen well below the 2m-plus which it claimed five years ago. In shopfloor elections — which, more than membership, are the real test of union influence its performance bas been mixed; but it has lost ground in many sectors and in some of its traditional balliwicks such as Renault. After a atrike at Flins, west of Paris, it lost its majority or the first time in a

Renault plant. At the Talbot car plant et Poissy - another scene of con-Poissy — another scene of conflict — its hitter opponents in the management-backed CSL unlon have lost some ground but mainly to the CFDT.

The CGT has paid the price for following the Communist Party into its political "ghetto" in the later years of the Giscard

in the later years of the Giscard administration and more re-cently for its soft line towards the Polish authorities.

The union itself blames the drop in membership on the rise in unemployment. Its decision not to take up the idea, launched in 1978, of more open leadership, eppears to be confirmed by the eppointment of M Henri Krasucki as the new secretarygeneral, a man regarded as a party hardliner.

The CGT, present above all in its muscles in the way it did the public sector but also in a in the recent Citroën dispute. wide range of small companies, But with the Communist Party is not alona in having membership problems and would bene- Government alliance et least fit along with the others if there until next spring's municipal were a union resurgence as there was at the time of the pre-war Popular Front.

While the CFDT lays slege to the CGT's June copgress, it wants to keep its bridges with where there are large numbers the administration open. CGT fights back by playing on

the CGT is that the CFDT does CFDT divisions. But in many

selves side by side. The gulf between them and the moderate unions has, if anything, meanwhile widened. Suspicious both of Government promises and of the prospects of direct democracy on the shopfloor, the moderates now form a joint front. The chief among them, Force Ouvriere, is nominally undar Socialist leadership but has always been wary of global political stances, concentrating on individual disputes and sticking firmly to a defence of real earnings.

#### New openings

The immediate future is likely to be overshadowed by unemployment. The Government target of stabilising the jobless rate at around 2m in the middle of the year and then bringing it down appears to bave been

The costly "solidarity contracts" thet are aimed to provide 100,000 new jobs by the end of the year have so far created few genuinely new openings. Of the two proposed formulas — early retirement measures or a cut in working hours—most companies, including Renault, have opted for the former, which means that their total employment remains the

A senior CGT official, M Rene Lomet, has forecast more disputes next year over the conditions for a further one-hour reduction in the basic working week. The union will clearly hanking on remaining in the Government alliance et least elections, it is likely to seek no more than limited warfare. As the leadership made clear at

David White

# Electronics sector viewed as 'weapon for the future'

"PRIORITY will be given to industrial investment and the biggest priority of all will be placed on electronics. It is our weapon of the future."-President François Mitterrand. "If we had to single out one industry for a concerted developelectronics." — M. Jean-Pierre Chevenement, now Minister of Industry and Research.

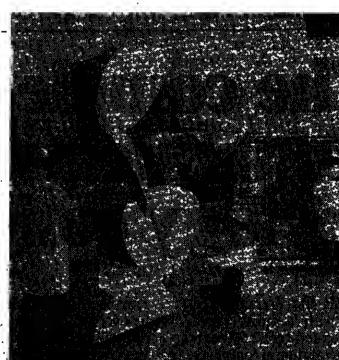
The tone of these two re marks shows why the Socialist Government is now preparing to put its biggest and most elaborate research and development effort in industry into the electronics sector. The old policy of highly selective and limited investment—the socalled "market niche" approach —is being abandoned. France is now switching to a global attack in the belief that electronics based products hold the key to the development of most of manufacturing industry in the future.

This policy is based on a very broad definition of electronics. the new policy vogue "filiere," meant to desprocesses, a recent report on the electronics industry came to the conclusion that French production in this sector amounts to about FFr 96bn (£9bn) last year. To reach this figure is included such diverse activities as office equipment, measuring products, telecommunications and information systems as well as base electronics components and microprocessors.

#### Scepticism

The report, prepared for M Chevenement, a Marxistoriented intellectual and a highly interventionist Minister, is to provide the basis for a development plan which will undoubtedly be the most crucial element in France'e industrial policy during the current presi-dency. M Chevenement has already presented his broad aims: he wasts to push France to third position in the world league behind the U.S. and Japan, increase research and development spending from FFr 12bn (£1bn) in 1980 to FFr 20bn (in constant corrency terms) in 1986, turn the trade deficit into a favourable halance of FFr 36bn (£3bn) and create around 200,000 jobs.

In the face of considerable scepticism about these plans, M Chevenement is resolutely confident that France has both the financial means and the enterprise to muscle its way into a Hatachi. They are also notably much more commanding posi-tion in the world electronics league. Nationalisation has also given him the means to support his belief in the global mobilisation of the country's resources. in defence related products, pro-Almost 50 per cent of elecmanufacturing France is in the hands of the state sector, and 90 per cent of



Work on France's national telecommunications satellite equipment at Matra, the diversified defence and electronics group. The state earlier this year took a 51 per cent controlling stake in the company

#### **ELECTRONICS 1980**

	roductio	n %	Market	%	GDP
U.S.	668	46	648	45	3.5
Japan .	228	16	164	11	3.7
West Germany	. 83	8	113	8	3.3
France	74	6	82	6	3.0
World	1,450	100	1,450	100	· <u>-</u>
				Source:	Dieli-Fiee

that it faces problems of size against industries supported by big markets like the U.S. According to the study, France occupies fourth place in the world production league at present, behind the U.S., Japan and West Germany. But its output, at FFr 83bn (£7on) 1980, was totally dwarfed that of the U.S. which had a production of FFr 668bn (£56bn) and was a long way behind Japan's (FFr 228bn).

s clear, France recognises

In eddition, the big French companies are much smaller than their American rivals, and come well behind the larger Europeans, such as Philips and Siemens, or the leading Japanlike Matsushita and weak in some specific sectors, particularly consumer electronics, mass-market semi-conducequipment. Their strength ties fessional electronics and tele-

The report suggests four main reforms to cope with these weak-

target is for a rise of about 50 per cent in real terms, mostly financial through the already planned and scheduled increase in research expenditure. • It proposes some reorganisation of the companies that have

spent in this sector. The broad

come into the state sector, so that "Franco-French" competition, as it calls it, is reduced in areas where international competition is already fierce. This suggests that in most key industries national leaders will be designated and the industry grouped around them, a process that has already been pushed through in some areas.

• The report argues that there is scope for more European cooperation in certain fields. particular, the French are beheved to be siming at joint ventures in consumer electronics, where Thomson has made a push tors and sophisticated office with products like TVs, but is finding its base too small in the face of Japanese competition.

The fourth reform element, the launch of a number of "national projects," is however, likely to prove the most impor-These projects are designed as a way of concentrat-

the problem their limited availability. They would bring to-gether public and private research laboratories, the universities and industry in coordinated and pre-planned development schemes. Products created in the laboratories would then be handed on to industry for detailed development and commercialisation.

France already has long experience of this type of marriage between the laboratories and industry. Some sectors, like the oil industry or telecommunications, already have their own publicly funded central research laboraties, which work specifically on industryorientated projects. communications, for example, the E10 electronic exchange system, which has enabled CIT-Alcatel to become a major competitor in world markets, was first developed in the central laboratory bafore being handed on to the company.

In the electronics report. 14 different and highly specific ideas are suggested as areas where national projects might be launched. schemes for a big scientific and industrial computer, for new visualisation mathods, for word treatment systems and for computer-assisted translation.

The report suggests that all the ideas should go through a the ideas should go through a two to three-month screening process to decide on priority areas, with the survivors then being taken on for a one to three-year prototype development period. It says that the concentration of resources in this way would imply reductions in spending on other areas.

Even before the Government makes its final decisions on this report, due during the summer, M Chevenement bas made clear that it reflects the main lines of his strategy.

A number of broad priorities have also been established. For example, in the telecommunications sector the Government has indicated that it wishes to maintain two main companies, CIT-Alcatel and Thomson, but thet there is no long-term future for the third unit, CGCI, which belongs to IIT.

Some tricky problems, however, remain to be resolved. In semi-conducter fabrication there are four main operations in France, while in the office equipment sector there are at least as many rival companies all jealously guading their in-

Defining the national projects and committing them to specific companies will therefore require a major effort of rationalisation. With such a delicate problem of industrial management bound up in the success of the electronics plan, it is small wonder that the Government should be thinking of setting up e seperate Ministerial department to run it.

Terry Dodsworth

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ON FEBRUARY 12, M. Jacques Delors, the French Finance Minister, wrote to each of the chairmen of the newly nationalised banks assuring them of total independence of manage-ment of the institutions they

Three months later-with M Delors out of the countrythe Cabinet appeared to go back on this undertaking when it decided that the Budget could bear no more than FFr 3bn of the additional FFr 9bn to be made available this year to the newly nationalised indus-tries. The banks learnt in a communique issued after the cabinet meeting that they would have to provide the rest.

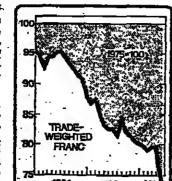
French banks have long been used to andging from the state over whom to lend to and on what terms, but the brutality of the cabinet directive and the size of the sum involved came as a shock. The FFr 6bn is not far short of the estimated FFr 7.3bn pet (after tax) profits made by the French banking sector as a whole in 1981.

Since then the banks have been involved in tricky discussions with the Government over the terms on which they will make the funds available and on safeguarding their battered credibility as independent financial institutions.

Half of the FFr 8bn involved which has always insisted that is likely to be provided in sub-ordinated loans, mainly to the operate on commercial criteria. steel sector, with a minimum be profit-minded, pay dividends guaranteed rate of interest and strengthen their capital over the first five years of 5½ ratios—notoriously weak in per cent. The banks jibbed at France by international taking in equity stake in loss standards.

making sectors such as coal and The tree

The other FFr 3bn is likely happen again or that the banks to be provided as risk capital will not be milked to make good through a yet to be established shortfalls in the Budget or prop state lolding company with an up lame duck industries. In initial capital of FFr 6bn. The fact there is a strong lobby



scope and powers of this in vestment institution are still un-clear but for the banks its attraction is that it pools the risk of bolding shares in state

It is also boped that a stake in such a financial institution (possessing itself a diversified portfolio including shares in some of the most profitable nationalised institutions) will be in safeguard banks' credit rating when it comes to borrow-

raid on their funds to reinforce the capital structure of the nationalised industries must be a once and for all operation. This is certainly the view as well of the Ministry of Finance

The trouble is that there is no guarantee that it. will not

**Anglo-French relations** 

# Mitterrand keen to co-operate

CES SACRES ANGLAIS!"
his rather ambivalent headine ran over a French maga-ine ran over a French maga-ine article about Britain, ast as the Falklands crisis was coming to a head, Apart from the sense that the people across the Channel never ease to astonish, it is hard to neasure in what proportions the expression conveys ad-miration, gentle mockery, or

Much the same kind of ambiguity has characterised recent French attitudes towards Britain, both in the Government and in the public

To the surprise of some, the Mitterrand administration ex-pressed its "solidarity" with the UK from the first day of the Argentinian invasion of the Falklands, and stuck to that position throughout. Supplies of French arms, which proved to be such an effective part of the Argentines' arsenal, were immediately suspended.

True, public opinion polls showed that the Frenchman in the street bad no desire to become involved in Britain's war; true, the Communists were letting the government side down by going on about Britain's "colonialist adventures": true, the Government itself became increasingly about incurring further damage to its already unsettled relations with Latin America; and true, somebody leaked a confidential note in which M Claude Cheysson, the External Relations Minister, spoke in disparaging terms of the self-importance of the former colonial power, its instinctive, elementary con-tempt for what these Latins,

these flashy foreigners have to say. . . . " Nevertheless, the French position appears to bave been appreciated

#### Headlines

enough to ontlast in the French headlines the latest nadir of Anglo-French relations, the majority-versus-one vote on EEC farm prices in May. If some people in Britain perceived this as a stab in the back," perpe trated mainly by the French. in France it resurrected all the old arguments about whether Britain is really

European at all. President Mitterrand issued statement from Algiers saying that the issue raised questions about Britain's role and, if these were not resolved, about its future presence—or the mature of

The phrase between dashes appears to have been inserted by M Cheysson, who went on the next stage of the President's African tour to talk shout "adjustments" to "bags of ideas"

seemed to be hinting at was a special status for Britain.

membership which de Ganllé proposed and Landon refused 19 years ago, but less than its a stake in all the RECs

institutions.

Could this mean ruuning the common farm policy without Britain? "If that's volunteered a the case," volunteered a senior British diplomat, "then through. It would be like having nine shopkeepers in a street, with their shops bulging with unsold produce, refusing the one customer to

But it was not a spur-ofthe-moment French thoughts about European ties Britain's emerged, by way of a high-President Giscard d'Estaing.

#### Pressure

It is still unclear whether the French really have a plan up their sleeves, or whether these statements—in M Mitterrand's case, the strongest Britain joined almost 10 years ago — were principally a means of exerting pressure, the UK decided not to apply the new common farm prices, or to withhold payments into

the EEC budget.

In the event, the following week's agreement by Britain to a one-year budget settle-ment meant that French sympathies were not put to

the final test.

But Anglo-French cohabitation within the Community still has to steer between a number of reefs: the ques-tion, opened up by the farm price row, of what decisions need to be taken unanimously, the issue of Britain's mediumterm budgetary arrangements, which comes up again later this year and the whole subject of the Community's

future. Economically, the two Governments remain either side of an economic divide, and French ideas for the EEC smack suspiciously to the British palate of dirigisme and protectionism.

However, both are keen on political co-operation. The Falklands crisis gave the Mitterrand administration its apportunity to show good intentions in this respect. So, in a more oblique way, does and Nato, tonching on what has long been one of the main foreign policy gaps between Paris and London.

Nate foreign ministers are due to hold their spring session in Paris next year, for the first time since de Gaulle took France out of the integrated command structure 18 years ago. For its sensitive andience, domestic Government has played the event down, saying it is " just our turn." But it is an interesting coincidence that the announcement should have been made at the most acri-

us stage of the farm David White

# Banks' independence under threat

Banks have also had to work under another serious (and interventionist) constraint over the past year. This has been the result of the authorities bold-ing the base bank lending rate (about 14 per cent) some 2-3 percentage points below the day-to-day money market main-tained at a high level in sup-port of the franc.

Most severely hit have been banks without a substantial deposit base—the foreign banks and French banks such as Indosuez, Paribas, Worms and Credit Commercial de France (CCF). The structure of rates bas meant that their cost of re-sources through the money mar-ket is potentially higher than the price at which they lend.

The banks which have escaped this trap have been those with large deposit bases—Credit Lyonnais, BNP and Credit du Nord for instance. In fact their cost of funds has been reduced by the limit of the large of the l by the limitation placed last September on the interest banks can pay on term deposits.

of the banking sector would as compared with over 30 per serve no purpose unless it was to channel more funds towards on international operations longer term lending to industry. Were offset by increased pro-products against bankers and financial institutions which makes them "easy prey."

as compared with over 30 per solution per solution in 1980. Higher earnings cent in 1980. Higher earnings cent in 1980. Higher favore solutions are sufficient to the serve in 1980. Higher favore solutions with over 30 per solution per solution in 1980. Higher sale per solution in 1980. Higher favore solutions are sufficient to the serve solution in the serve solution lending rates, and higher taxes.

#### Grievance

Losses incurred through the mismatch in interest rates have been a major grievance of foreign banks dependent on the money market for their French operations. In contrast to the rush of foreign banks to France over the past decada — 122
had been established by the
end of 1980 — only one new
bank has opened in the past year. A further source of com-plaint for both foreign and domestic banks has been the impact of the system of "en-cadrement" which limits the pace at which banks can expend their lending.

The Government has got itself into a muddle over it. On the one hand it wants tight control over bank lending as part of its anti-inflationary policies—which implies penalising banks who lend beyond tha "encadrement" limits. On the other hand, it is anxious that

within the Socialist party which Overall net hank profits rose abort-term liquidity needs of in-believes that the nationalisation by under 10 per cent last year dustry to prevent a further in-of the banking sector would as compared with over 30 per crease in bankruptcies, while the profit motive. In addition at the same time encouraging the efforts of the former chairbanks towards more long-term man M Maurice Laure to make lending. The "encadrement" of Société Generale a leaner, system is cracking under the more cost-conscious institution

> It is still far from clear what the shape of a Socialist banking system will be or how the character of individual institu-tions will emerge. Mergers are clearly in the air to group banks with large deposit bases and those dependent on the money market for their resources. The Government is slowly carrying by M. David Dantresme, now not what is called a "banalisation" of the banking sector—essentially an attempt to put France's diverse banking institutions on a more equal and published earlier in the year emphasised the importance of retaining an interest rate structure that provided a significant real return for investificate—the "Mitterrand bond"—is being made available through specialisted institutions like Credit Agricology through specialisted institutions like Credit Agricole and Credit Mutual as well as through the deposit banks.

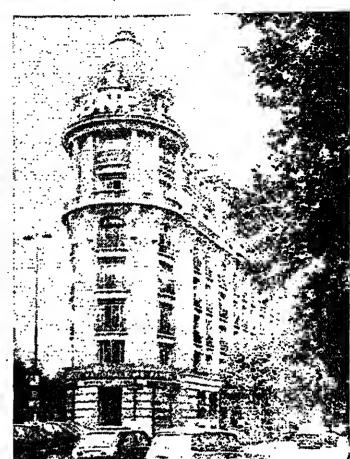
The new banking law pro-mised for this autumn seems likely to be no more than a technical measure. M Delors is root and branch measures but the identity of banks is changing under new leadership. Société Generale, for instance, is losing its reputation as an other hand, it is anxious that aggressive profit seeker-taxa-banks should meet the pressing tion and other state levies on

more cost-conscious institution have landed his successor M Jacques Mayou with almost contimual labour agitation since he

A major concern of the lovernment remains the Government

It has been on this basis that the domestic bond market has fast expanded in recent years from FFr 65bn of new issues in 1979, to FFr 111bn in 1980, to FFr 106bn last year and an estimated FFr 130bn this year. By comparison new sbare issues brought in only FFr 23bu last year—although this was a rise of 10 per cent on 1980. As a result of both nationalisation and dividend control, risk capital for industry is likely to be more difficult to raise in

David Housego



The headquarters of Banque Nationale de Paris in Boulevard des Italiens. BNP ranks third in the latest Banker Magazine list of the world's top 500 banks (behind Bank America and Citicorp) with assets of \$106,731m. Three other French banks, Credit Agricole, Credit Lyonnais and Societe Generale appear in fourth, fifth and seventh places

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THE TIMES FRIDAY APRIL 23 1982

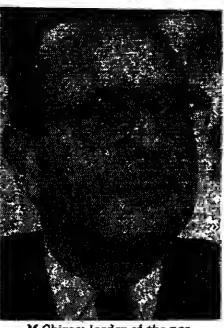


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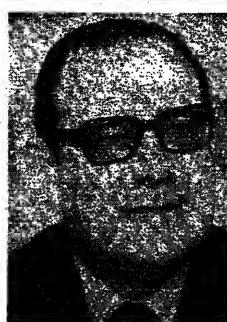
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M Chevenement: new Minister of Industry and Research



M Chirac: leader of the neo-



M Barre: establishing his

Socialist-Communist coalition must now expect to do badly in the spring municipal elections

# Left braced for losses

HAVING elected M Francois Mitterand as President in May last year and given the Socialist Party an overwhelming majority in the National Assembly in June, the French expected a lengthy respite from political conflict. Two events suggest the respite will

in by-elections to the National Assembly in January and in the cantonal (local) elections in March, the Socialists emerged as unexpectedly vulnerable. In the four byelections they lost three seats they had won in June but in which the results were overruled by the Constitutional

m the cantonal elections the swing was far greater. The combined left-wing parties (including tha Communists) were deprived of eutright control of nina of tha 44 departmental assemblies they beld—leaving them in a majority in only 35 of tha country's 95 departments. The combined Gaullist and centrist parties polled 59 per cent of the vote indicating that middle-of-the-road voters who had opted fer the Socialists last year bave moved back to

month and the prospective drop in real incomes as a result of the wages freeze. These are issues which deeply touch both French prestige and pockets and which have at lest given the expection at at last given the epposition a platform from which to mount

M Jacques Chirac, the leader of the neo-Gaullist RPR Party, used the subsequent censure debate in the Assembly to pin economic failure on the Socialists and stake eut his claim to be the main opposition leader. He even sketched an alternative programme including a phased three-year return to a balanced budget and lower taxation. M Raymond Barre, the former Prime Minister, has also with quiet authority been establishing his credentials as a presidential candidate.

Still out in the wildnerness and bereft of public sympathy is ex-President Giscard d'Estaing. But his quarrels with M Chirac, which undoubtedly helped lose him the election, have so far net-stood in the way of far closer co-operation between the parties of the centre and the

the secend event was the The next major electoral test

coalition will be the municipal elections in the spring. These elections in the spring. These are crucial to both parties in strengthening their local hase —and have become more so as a result of the additonal powers the municipalities will obtain through the Government's decentralisation measures. The left must now expect to de hadly in the expect to de badly in the municipals and will be fight-ing to minimise its losses.

his provisional timetable M Mitterrand planned to replace M Pierre Mauroy aa Prime Minister and carry through a major cabinet reshuffle. But the present administration could be scuttled earlier if the stabilisation measures prove a flop.

After the municipals tha Communists are likely to make their decisien on whether to quit the coalition. The Com-munists have felt increasingly uneasy in a government with which they have disagreed about Poland and with whem they are now associated in imposing an unpopular wages freeze on their ewn rank and

George Marchais, the party leader, made his strongest yet criticism of the Govarnment last menth when he said that the party could "in no way

approve" a wages freeze. But the Communists insist they are still loyal members of tha alliance. With their share of the popular vote reduced to 13 per cent during the cantonals after polling over 20 per cent in the 1970s, pulling out now could risk.

electoral disaster.

The blows to the economy have also intensified the strains within the Socialist Party.

M Michel Rocard, Minister of the Plan, and leader of tha Socialist Democrat faction, has been openly critical of the content and the presentation of the stabilisation measures. The Ceres group, of which M Jean-Piarre Chevenement,

M Jean-Piarre Chevenement, now elevated to the post of Minister of Industry and Research, is the head, remains distrusted by M Mitterrand. Even M Mitterrand's own fellowers—the largest group among the Socialist deputies in the Assembly—have been voicing their bitterness aheut being kept in the dark over policies.

policies.

Mitterrand's hepe is that his economic policies will bear fruit before the 1986 legislative elections. If the Socialists sheuld lose those, he would have a rough ride in the last two years of his Presidency. ... · · · · · · · · · D.H.:

# GNP falls as economic plans come unstuck

M JACQUES DELORS, the Finance Minister, curtain raised the post devaluation stabilisa-tion package by describing it as an "electric shock" intended to jerk France out of its bad inflatienary ways. But the real shock fer the Socialists this year has been how hadly their economic plans have come

The government's economic strategy was hased oo an expan-sienary 3.3 per cent real growth in GNP for 1982 to boost jobs and lower unemployment. Increases in the minimum wage and social allowances in July last year were followed by a budget for 1982 that raised budget for 1962 that raised expenditure by 27 per cent. The gamble was that a consumption-led recovery would be sustained by a growth in exports from an anticipated pick up in world demand and by an increase in

Events turned cut very diff-erently. After a year long recession, real GNP moved recassion, real GNP moved upwards from the accord quarter of 1981 to achieve an annual rhythm of 3 per cent over the six months to the automn. The acceleration in growth thus began before tha Socialists took office and coincided roughly with their first six months in power. The economy then began to slow down with real GNP actually falling 0.1 per cent in the first quarter of 1982.

Behind this drop in activity lay a virtual stagnation in industrial production. By the end of February the industrial produc-tion index had fallen back to its February 1981 low — or 11 per cent down on its peak of mid

#### Investment

The continuing increase in real household incomes (rising 2.5 per cent annually both this year and last mainly as a result of increased social allewances) has been the major factor sustaining the economy. By contrast industrial investment (including housing) fell 3.5 per cent in volume last year, and even before the devaluation was expected te slip further this

On the external account exports, which rose sharply in the first half of 1981, dropped back almost as dramatically in the last quarter of the year and the first quarater of 1982 -some 6 per cent down in volume terms by March from mid 1981. The sharpest falls were in cars and transport equipment seemingly reflecting a loss of com-petitivity with France's major rivals.

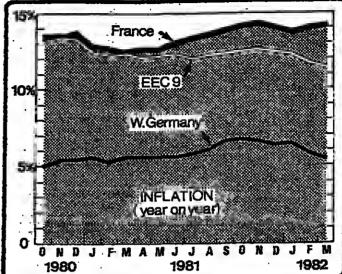
By contrast the Government- 1983. inspired boost to consumer manufactured products more than French industry. Fereign penetration of the French market for industrial goods market for industrial goods reached a new peak of 27 per cent in the final quarter of last year. Over 1981 as a whele imports covered a staggering 50 per cent of the increase in consumption of manufactured goods as compared with a ratio of 25 per cent of imports to consumption for the year as a

Both trends accelerated a widening of tha trade deficit which for the first five months of the year reached FFr 30bn on a seasenally adjusted basis as compared with FFr 17.9bn fer the same period last year.

The slower than expected

growth in the economy produced a fall in Government tax receipts which further exacerbated the budget deficit. By comparison with the planned timing of FFF 95bn deficit for 1982 (itself french fr already well up on the FFr 78bn 10 per cent in relation to the last year and the FFr 30bn in DM, which together with the 1980), tha actual deficit this first devaluation, made for a year appeared to he heading depreciation of 18.5 per cent before the devaluation for the since October.

REAL GNP average 1963-72 1978 1979 1981 1980 France ..... West Germany ... 2.3 3.9 -0.2 -1.6 -2.1Source: IMF. † Forecast.





Presidents Mitterrand and Reagan meet at the Versailles Economic Summit earlier this year. France was able to emphasise its stature in the world by hosting the conference but in the end the country will be judged on how it strengthens its faltering economy

FFr 125bn level.

In addition, the estimated an abrupt and humiliating end deficits in the separately to the Government's attempt to mursue an expansionary managed Social Security and pursue an expansionary Unemployment Benefit funds economic policy in the face of were expected to reach a combined FFr 70bn by the end of France's main competitors.

increase in Treasury hills-offset the measures the Govern-ment took in the wake of the first devaluation in October to hring down the level of inflation. By April prices were again up 13.9 per cent en the 12 month period—leaving a gap of nearly 9 per cent between France's inflatien rata and that of West Germany.

The combination of these -leaving France eut of step with her competitors over the direction of her trade and budget deficits and her inflation rate - had already by March resulted in renewed pressure en the franc. Between Fehruary and the second devaluation on June 12, the Bank of France spent FFr 45bn-50bn in intervention in support of the

In tha end the exhaustien of the reserves determined the timing of the realignment. The French franc was devalued by

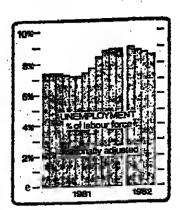
The rise in the budget deficit

financed largely out of the measures the priority of policy has shifted towards bringing France's inflation rate closer te that of her competitors—the Government's aim is for 10 per cent this year and 8 per cent in 1983. Paradoxically France is thus entering a period of deflatien as other western economies are looking to a pick up in demand.

#### Price freeze

In opting for a prices and wages freeze as the main instrument of the stabilisation package, the Government hopes to achieve a declaration of prices without cutting inte its beavy investment programme for the renewal of French industry.

The budget deficit is to be held to 3 per cent of GDP this year and in 1983—respectively FFr 107bn and FFr 120bn—by cuts in current expenditure. Employers' and wage earners' contributions to the Social Security and Unempleyment Benefit funds are to be raised to help bring them back into



Are the measures sufficient to avoid a third devaluation in the near future (and possibly France's departure from the

Price and income freezes have had scant success in France in the past. The risk is that a four month freeze will be fel-lowed—net as the government hopes by 18 months of nego-

tiated price and wage restraint
but by an acceleration of
prices and wage increases.
Unions are loathe to accept
the loss of purchasing power
implicit in the freek, or ever the longer run te give up the system of virtual indexation that has long ratcheted wages up

with inflation.

Industry is anxious to raise its prices both to recover the increased costs of imported materials and to rebuild its profit margins. The combination ef higher financial charges, new tax and social security bills and additional costs resulting from the introduction of the shorter working week and longer helidays bave squeezed company profit margins probably to their lowest level since the war.

The size of the budge deficit continues te be a factor of Inflationary pressure. It is by no means certain that the Overn-ment will be able to hold to its planned cellings. Cuts in cur-rent expenditure will in pirt be effset by the increased subsidies needed te bold down the increases in public sector triffs.

The Government is puruing contradictory goals over its deflationary policies. It vants to bring prices dewn bu to sustain econemic activity t a level that will maintain employment. Even befere the devaua-tion, the official statistics burau had been predicting a fresh ise in the number of jebless to 21m by the end of the year en unadjusted figures.

Estimates of the deflationary impact of the measures (depending on assumptions about exports, loss of purchashg power and expenditure cut) vary from the Governments predictien ef a 2.2 per cent growth in real GNP this year (roughly the same as before the devaluation) te some private forecasters' estimates of a low 1.2 per cent growth.

In any event private invest ment is almost certain to fall further in the light of employers fresh uncertainty about dividends, prices and profits,

The continuing strength of dollar continues te throw eff balance the Government's calculations over the size of the trade deficit. Some 37 per cent ef French imports are payable in the U.S. currency which has risen from FFr 4 to the dollar in 1980 to nearly FFr 7. But the Government hopes that with a renewed surge in exports and a pruning back of imports this year's trade deficit of an estimated FFr 80bn should be

reduced to FFr 50bn next year. Many of the Government's followers are sceptical of suc-So are exchange dealers.

David Housego

David White profiles M Edmond Maire, CFDT leader

# Mitterrand's critical ally

ONE MAN who is determined not to leave Socialism to the politicians or to the Government is M Edmond The 51-year-old leader of

the Confederation Française Démocratique du Travail (CFDT) - an organisation which he sees as becoming "in the medium term the principal force of French unionism "-is both a natural ally of the Mitterrand administration, and a frequent

His distinctive voice, the result of a damaged nose, is the most widely respected one of France's trade union world. Although contested within the CFDT itself, the unpredictable M Maire has gained in stature in the country at large since the Socialists came to power.

The weekly magazine Le Neuvel Observateur went so far as to state that recent events had made bim "the intellectual and moral leader of the French Left." M Maire follows his own

course. After pleading fer economic "realism" and helping to prepare

ground for this summer's austerity measures, he balked sharply when the Govern-ment decided to legislate on a wage freeze rather than rely en the "sense of respon-sibility" of the workers.

He had already startled the Government last October when he came out and accused the country's new leaders of backing down on their promises and took issues over their energy policy, their approach to workers' rights and their nationalisation law.

M Pierre Mauroy, the Prime Minister, tried to strug the tirade off by saying that M Maire was one of the gang and was simply "marching faster than the music." He invited M Maire to lunch hut M Maire said he was aticking to his position and was not going te "march to the rhythm of a Prime Minister, howaver good he is."

This was not a break with Socialism but rather a reply to people inside his ewn union who suspected him of becoming a government pet Maire remains close te the Socialist Party, or at least to a certain part of it.



M Maire: determined not to leave Socialism to the politicians

His approach is far more qualitative than that of other unionists. A man of strong Catholic hackground, helped referm the Christian trade union move-ment te build up the CFDT,

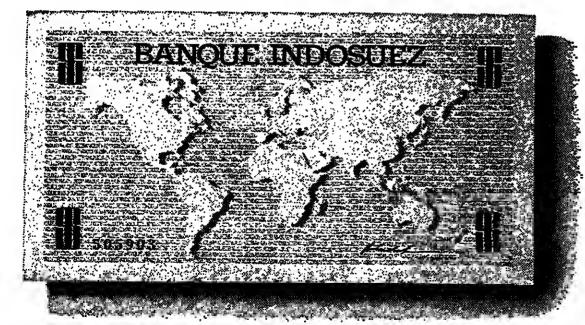
advocates autogestion" management This was tha innovative theme he picked up when he

took over as CFDT leader 11 years ago. The union filled a vacuum on the political Left fallowing the heady "events" of the spring of 1968.
The "sixty-eighters" have

left their mark on the union. While the leadership leans towards the Socialists, there is a strong fringe element, ranging from Trotskyists to Ecologists, difficult to keep under control and just as hard to keep together.

Taking a more apolitical stance after the Left's general election defeat in 1968. M Maire was regularly vilified by his Communist nuion rivals for hecoming a middle-of-the-roader. He has exposed himself to their attacks ence more hy preach-ing moderation. What he wants is that the Left should oncceed and his warnings are directed both to the Gevernment and to ether nnionists: "If you do any old thing, it's the workers who cop it."

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#### FRANCE V

#### Machine tool sector fails to adapt

THE STEADY and remorseless decline of the French machine tool sector is one of the clearest illustrations of industry's failure to adapt to technology. Imports have mounted regularly over the past decade, particularly from West Germany and more recently from Japan, until they now account for 60 per cent of sales. Exports, though taking up about half of production, have failed to keep

Encouraged by President Francois Mitterrand, the French Government is now trying to stop this deteriora-tion with a vigorous pro-gramme of intervention. This policy is inspired by the helief that machine tools will be a key industry during the revolution in manufacturing techniques unleashed by the development of robotics and automated factory systems. A strong French industry is essential. It is argued, both to support the development of other manufacturing sectors in France and to win new export markets.

The Government faces substantial difficulties, however, in trying to reorganise the marking tool accompanies. One

Above: Mirage 2000-sold to India and Egypt.

France's recent launches

below: a Citroen BX 14RE—one of

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of the main characteristics of the industry is its diversity. It is split into small specialised units which have little in common and which dently minded entrepreneurs. French planning techniques, which have been so successful in organising large-scale industries such as nuclear power or telecommunications, have proved to be less effective in the past in tackling sectors like machine tools, where the decision-making centres are so dispersed.

se difficulties have been evident in the long, drawn-out negotiations between the Government and the industry since the announcement of the broad details of the machine teol plan last December. In the plan, by far the most important of the sectoral pro-jects falling outside the nationalised industries, the Government has set a target of almost doubling sales in real terms between last year and 1985. Within this global figure the main growth is to come in munerically controlled machine the main state. come in numerically controlled nuchines, where sales are projected at FFr 4:50n (£300m) out of a total of FFr 7.6bn in three years

The Government aims to stimulate the industry by acting on both demand and supply. On the demand side it has promised orders worth about FFr 1.2bn (£100m) from the Education and Training Ministry and will invite

the newly nationalised industries to buy French when they move fully into their new investment cycle.
On the supply side the authorities will help with research, development and training projects through the

There will also be support for development projects to create more sophisticated components for the industry. But the main effort — and the main problem — concerns tha reorganisation of the industry. The idea behind this re-

structuring was to create bigger units which would be able to achieve some scale economies in component de-velopment and production, as well as their sales networks. In this way the Government hoped to be able to make its FFr 2.3bn (£200m) expe

matched by FFr 1.7bn from

Several reorganisation pro-lects have been studied over tha last year in the attempt to encourage companies to come together with sufficient funds to ensure their development. The most likely conclusion will be the creation of two main groups, in which the thorny question of ownership and new capital will be solved by significant shareholdings held by state companies.

In effect this would mean that the hig user companies ment of their tool-supplying companies. For the machine tool sector it would demand a big change from its present situation of relative financial independence, while the Government would run the risk of criticism for creeping Britain, with its long Alfred Herbert saga, many of the companies in the sector are now reaching the stage where the choice is between total. collapse and the infusion of public capital.

Terry Dodsworth

David White profiles M Yvon Gattaz, head of the employers' federation

# **CNPF** chief gets tougher

WHEN M Yvon Gattaz was named late last year as the new head of France's employers federation, the CNPF, he was billed as the candidate most likely to get along with the Socialists.

Contrasting with his predecessor M. François Cyrac, z long-time "fonctionnaire" of the organisation, M Gattaz was seen as a "technical" rather than a "political" choice. Working in his favour were a hackground in a successful zea provincial com pany and a progressive image based on two books on entre-preneurial philosophy.

.The arrivel of this owi-like figure, with his thick glasses and his epigrammatic turn of phrase, was quietly welcomed by the Etysee as promising a thaw in its relations with the "Patronat" M Gattaz initial statements were indeed conciliatory; he said that the country's employers had no "vis-ceral hostility" to Socialism and that the CNPF had "no vocation for being an opposition party."

The CNPF has found common ground with the authori-ties on issues such as the lost opportunities of French industry and has played along with its idea of "solidarity contracts" for creating jobs.

But M Gattaz's tone has become increasingly tougher, displaying growing impatience at the authorities' response to the corporate sector's financial plight and reflecting the mood of many of the CNPF's members, who would favour a more

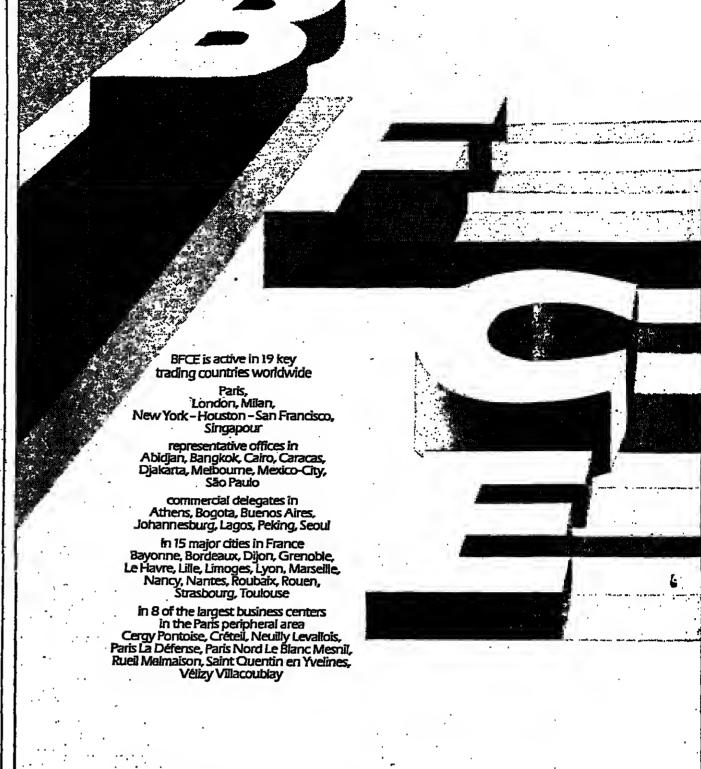
overtly political stance. His recent statements are But even in this aector peppered with the phrases exporters are worried about "alarm signal" and "danger competitivity. "and "concessions by the Overall, French export growth Government on the so-called professional tax—for years the CNPF's great hughear — and increased state support for investment are outweighed, he

> "I have more and more tho impression," he said recently, "that my visits to our political leaders end up as kinds of guided tours of Ministries with gilded ceilings."

> The Government's initial efforts to woo small and medium-sized businessmen through rival employer organisations have led the CNPF to set up special committees in order to take the interests of these categories more into account

At the other end of the scale M Gattaz has argued successfully to keep in the newly nationalised industrial groups, with a senior executive of Thomson-Brandt, costs over the last few years, find the markets increasingly M Guy Brana, being put in charge of the organisation's

> 45 per cent courage, 45 per cent recklessness and 10 per cent



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# Gloomy outlook for trade performance

Government faces difficult task of getting a larger

range of companies to export

li lost abarply against the kinks with the French construc-lin, the currency in which tor Franchise, the French are third of its imports are now pursuing clusive contracts in Finland, Mexico and elsethat has long been conered overvalned against the the currency of its Some exporters had been for devaluation way into the Giscard edininis-

In the first few months this year, exports levelled off after an increase of just under 18 per cent in 1981. The trade halance, which was kept down to a deficit of less than FFr 5bn a month on average last year, has followed a teetering course, hitting a record FFr 10bn shortfall in April (earning the com-ment "execrable!" from Foreign Trade Minister M Michel Jobert) and averaging out at some FFr 6bn a mooth. Among export leaders, the French car makers have been the exemplary victims of the loss of competitivity, despite a recent boost from new model launches, and they are con-cerned that the disparity hetween France's inflation and that of its neighbours will con-tinue to play against them.

#### Strength

in its trade in industrial goods soared by FFr 20bn last year, and some export sectors have turers total orders are tied up gone from strength to strength, in joint projects. power equipment and so on.

technology sectors, where it is and recently Argentina. Clients backed up by a reputation for in the Middle East and North solid engineering and by Africa, who buy three-quarters credit terms.

and - despite an impressive per cent last year, military and — despite an impressive per cent last year, military export record in digital telephone exchanges — professional phone exchanges — professional rate, and actual sales, according to the Defence Ministry, puters. But heavy electricals, building materials and industrial equipment have all performed well.—An example is Alsthom-Atlantique, a group specialising in power generation, locomotives and ships, combat aircraft, has already and phone exchanges — professional rate, and actual sales, according through nationalisation and industrial reorganisation, and industrial reorganisation and industrial reorganisation. The specialised electronic component company Radiall, which inherently more stable, markets. Like its predecessor, it faces tha difficult task of getting a larger range of company you need to be supported to the design and industrial reorganisation. His own background places on the organisation and industrial reorganisation. His own background places of muture a more aggressive export sector able to hold its inherently more stable, markets of about 900. His formula faces that difficult task of getting a larger range of company you need a special solution and industrial reorganisation. His own background places through industrial reorganisation and industrial reorganisation. The specialised electronic component company with the special solution and industrial reorganisation. The special solution are reorganisation and industrial reorganisation and industrial reorganisation. The special solution are reorg ation, locomotives and ships, comhat aircraft, has already which reported a 56 per cent reported FFr 13bn-worth of increase in foreign orders last orders this year. Its new

 Aircraft are included in figures for the general category of investment goods, which produced export growth of 21.5 per cent last year and a record monthly sales figure of

Thomson-CSF-are anxious to develop their

to the medium-term future will be the next Airbus generation, the single-sisle A-320, and tho timing of its launch on the

market. -Its success is also considered For all this France's surplus crucial to the future of European co-operation in this field, where half of French manufac-

tive selling pitch is in medium- export bans have affected Chile extremely competitive export of French arms exports, have been reassured.

FFr 12.6bn in May. France's share of the six European Airbuses sold in May was a major element in this performance. The civil aerospace industry now has an order book corresponding to more than two years' activity. The successful testing of the largely-French Ariane launcher opens up a growing space sector, where three state-controlled groups — Aérospatialo, Matra

satellito activities.

The new Franco-Italian
ATR-42 regional transport aircraft already has half-adozen customers but the key

A diversified group such as the France's arms potential has recently nationalised CGE can been highlighted by the tragic still show a 40 per cent-plus fame carned by the Exocet seaannual increase in its overseas skimming missile in the Falk-turnover. Export successes con- lands war. The "defence" busitinue to come in for major ness sagged somewhat last year, building contracts, metro but nothing like as much as systems, telephone installations, the industry feared when President Mitterrand came to power. Broadly, France's most lucra- .. In the event, the only new

• In capital goods, there are . While civilian orders in the weak points in machine-tools investment goods sector rose 30

TIMES WILL probably get year and expects another 50 Mirage 2000, the first produc-wing before they get better, per cent rise this year, tion line model of which is due Tell is the general outlook for A South Korean order for two for the end of this year, has, A South Korean order for two for the end of this year, has, nuclear reactors in late 1980 after an initial disappointthe Mitterrand administration broke a long French jinx in ment in Australia, been sold this second devaluation, this sector, marked by dropped to Egypt and India. The complex country has been caught deals in China and Iran Given pany is meanwhile sounding an awkward monetary trap: a freer hand after the breaking out Middle East clients for its the one hand, a franc that of Westinghouse's shareholding export-only version, the 4000. • The other major export

M Gattaz growing. impatience with the.

strength has been food, a sector which was in deficit a few years ago but which now produces a surplus rivalling that of motors. This success is somewhat fragile: last year's record FFr 21.5bn surplus was in large measure due to good cereal crops and low prices for commodity imports. But it also reflects a strengthening of the food-processing industry.

Wine and spirits exportsled by cognac, champagne and claret—meanwhile rose 20 per cent to over FFr 14bn last year, helped by the rise of the dollar, which boosted revenues in French franc terms from the U.S., the biggest market.

#### Competitivity

has come to depend largely on oil-producing countries, developing countries, and, less reliably, the Eastern hloc; investment are outweighed, he capital goods sales to the Soviet argues, by new burdens: shorter Union dropped 10 per cent last bours, extra holidays, earlier year, though they are now set retirement and workers rights to recover on the hasis of some legislation that he reckons will FFr 12bn worth of orders cost companies the equivalent registered in 1980 and 1981, of 1 per cent of their payroll. including some FFr 5hn for the Siberia gas pipeline. In all these categories,

political considerations often come into play in the allocation of big contracts. Gut of more than FFr 90bn worth of orders received for civilian investment goods last year, only FFr 15bn came from the industrialised West France has built up big deficits with the rest of the Organisation for Economic Co-operation and Development members and with the EEC. Last year the Community's share of French exports dropped to below half. French exporters, faced with a deterioration in relative labour

Government hopes faces the dimenit task of getting a larger range of companies involved in exporting.

David White "To creates the dimension of the per cerebless money."

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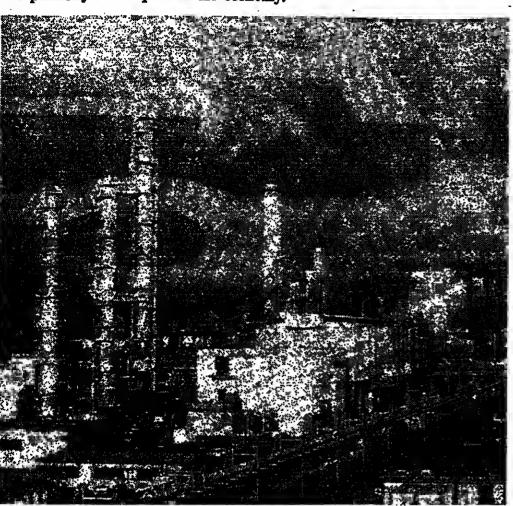
exports

We are exporting 80 % of our helicopter production, 70 % of aur missiles, 90% of our airplanes, as a mark of quality of our products tailored to morket requirements, and of our competitive sales policy.





Several development plans for industries in difficulty-including leather, toys, textiles and wood working—have been announced by the Government over the past year. But the most important relate to chemicals and steel in the fully nationalised sectors and to machine tools (see page V) in the privately-owned part of the economy.



Chemical production at Rhone-Poulenc, one of three poles around which the French industry is being reconstructed

# Planners reconstruct chemical industry

FRENCH PLANNERS have for two cash flow. Hence the idea the three. CdF lost FFr 1.2bn years tinkered with reconstruction plans for the chemicals aim of using Elf's funds to undercapitalised. But it has industry. Despite its creditable finance the rationalisation. roughly been given the job of export performance—the favourable trade halancs last year was take the majority stake in two activities in France. export performance—the favour-able trade halancs last year was FFr 14.4bn (£1.2bn)—the industry's rambling structure and chronic financial instability have made it an obvious case for treatment. Now, after years of hesitation, the Socialists bave at last decided to take up the knife and try radical surgery. The plan which emerged from

the Industry Ministry in May is aimed at concentrating mass production in the industry on national champion in the heavy and dye manufacturing. three main nationalised groups. Each will be relatively specialised and, it is hoped, of sufficient size to compete effec-

PCUK is a subsidiary of the savagely cut back hefore the PUK metals group, which has Socialists came to power and been steadily drained by its will stay that way. been steadily drained by its will stay that way.

losses in chemicals, and which the Covernment wants to concentrate on its extensive sidiary of Charbonnages de aluminium activities. Elf. on France, the nationalised coal the other hand has a very rost. the other hand, has a very posi- company, looks the weakest of

petro-chemicals companies, Ato-Total, the second of the two big French oil groups. One of the weaknesses of the French ludustry in the past, it is felt, was the proliferation of jointly held companies that suffered from weak management. Elf is to he chemicals sector.

Strategy

be worked out.

hefore nationalisation. It is to now has an overcapacity in By far the most important continue broadly on its present PVC plastics, often produced element of this plan is the path of specialisation in the in uneconomically small plants. decision to put PCUK, one of high value-added sectors such as the heaviest loss-makers, into fine chemicals, pharmaceuticals, the Elf-Aquitaine oil group's agro-chemicals and plastic films. growing petro-chemicals empire. Its artificial textile business was

This overall strategy will be Chimie and Chloe-Chimie, which fleshed out, if the Ministry's it currently holds jointly with plans are realised, by further takeovers and rationalisation among the different groups. The future of EMC, a small public sector company, and of Cofaz, taken over in the Paribas bank portfolio, still remains to weak management. Elf is to be he decided; there will be fur-given charge as a kind of ther reorganisations in fertiliser

The Government scheme, however, still begs the question of whether France can catch up with its international competisunctent size to compete enectively in world markets. There
will be some rationalisation of based on Rhone-Poulenc, the product lines—swopping of largest company in the industry activities to give the most logical manufacturing mix—but many of the details still have a largest responsibilities of £3bn. Rhone-Poulenc had many of the details still have a largest responsibilities to give the most logical manufacturing mix—but many of the details still have a largest responsibilities to give the most logical manufacturing mix—but many of the details still have a largest responsibilities to give the most logical manufacturing mix—but many of the details still have a largest responsibilities to give the most logical manufacturing mix—but many of the details still have a largest company in the industry and sistently in real terms since at the moment, with a turnover largest had signed hadly, falling consistently in real terms since at the moment, with a turnover largest company in the industry at the moment, with a turnover largest company in the industry at the moment, with a turnover largest company in the industry at the moment, with a turnover largest company in the industry at the moment, with a turnover largest company in the industry at the moment, with a turnover largest company in the industry at the moment, with a turnover largest company in the industry at the moment, with its international competitions. Investment in the industry has slipped hadly, falling constitutions and the moment with the industry at the moment with a turnover largest company in the industry at the moment with a turnover largest company in the industry at the moment with a turnover largest company in the industry at the moment with a turnover largest company in the industry at the moment with a turnover largest company in the industry at the moment with a turnover largest company in the industry at the moment with a turnover largest company in the industry at the moment with a turnover largest company in the industry at the moment with The problem faced by the

industry therefore, is to push through this necessary slimming operation, which will fall mainly on Elf's shoulders, while stepping up the development of new activities. That will clearly require a lot of backing which the state may not be finally able to give.

Terry Dodsworth



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# Further steel cuts on the way

WHEN THE Socialist admini-stration took office about 14 menths ago it was tempting to believe that all the dirty work in cleaning up the steel industry had already been done. About 30,000 of the 130,000 jobs in the industry had been axed, several factories closed and capacity trimmed. But the first year of Socialism coincided with a further market slump and has seen an acceleration of losses. months ago it was tempting seen an acceleration of losses, not the expected turnaround. More rationalisation will have to follow.

to follow.

The most painful part of this reorganisation is expected to fall once again on tha workforce. Analysis believe that between 10,000 and 12,000 jobs need to go to make the industry fully competitive at the target capacity rates. At the same time it desperately needs to inject new blood into its workforce in order to acquire the range of skills to cope the range of skills to cope with new production tech-nology; in the past few years of recruitment freezes the average age of personnel has gone up dramatically.

whether the cuts will be quite as deep as the guideline figures suggest remains:
to be seen. Usinor, the larger of the two nationalised groups, has clearly tried to limit redundancies in its recently announced development plan. It is aiming to slim down by about 4.000 jobs by 1986 from its present workforc. It a little over 30,000. Sacilor, the second of the high Sacilor, the second of the hig-groups, is planning cuts of around 2,200 out of its 27,000

Te sweeten the rednidancy pill the Covernment is offer-ing the industry more than FFr 20bn (£1.7bn) over the next four years to restructure its capital base and pump funds into new investment. This sum, large as It is, is probably not as much as the steel manufacturers would have liked; between them, Usinor and Sacilor lost more than FFr 6m last year and are facing a further big deficit this year as well. But after the planned equity in-jections around. FFr 18bn should be available for invest-

According to the Industry Ministry, the long-term alm for the two main steel pro-ducers, which account for more than 80 per cent of French output, is a pro-duction rate of between 22m and 24m tonnes a year. This is about the same amount as has been produced over the past three years of crisis in the industry and relates to a present capacity calculated at around 28m tonnes. But the target also embraces a change towards more high quality products.

The basis of this switch towards more np-market manufacturing has already been laid through the takeovers of the special steels activities of Creusot-Loire and Pechiney-Ugine Kuhl-mann by Usinor and Sacilor respectively. ... Both ... these special steels companies bave been losing money, like their owners. But it is argued that their presence in the higger groups will mean a better balance of activities while providing the oppor-tunity for radical modernisation and rationalisation.

Following the mergers the two steel groups account for about 80 per cent of French steel production. It is expected that they will split almost equally the FFr 17bn (£1.5bn) of luvestment funds,

What still remains to be resolved in detail is where the investment will go geo-graphically. Usinor has already laid down its cards in announcing plans to develop its coastal site at Dunkirk. here it wants to put at least FFr 5bn into steel plate production facilities.

There is also likely in be a further development of the integrated steel-making sita at Fos, near Marseilles, which was built, like the Dunkirk plant, to receive foreign ore and have easy access to export markets. But this plant is ewned feintly by Sacilor, which will face big difficulties in diverting funds away from its Lorraine plants, where it has invested beavily in recent years. Hence Sadler is to invest FFr 5.6bn of its total FFr 8.5bn of new funds in

These are all therny prob-lems far both the Government and the industry. For a Socialist administration steel is something more than just another industry. It goes to the heart of the workingclass movement and any tinkering with it has to be done carefully. That accounts for the heavy funds that hava already been set aside for the reorganisation. Whethar they will be enough to bny off really damaging dissent remains to be seen.

T.D

Government control of industry will be unambiguous

# A leap in the dark

earlier this year with the voting of the Bill which nationa-lised five of the country's higgest industrial enterprises. For the first time the state is moving in force into competitive manufacturing sectors, where there are no clear-cut social arguments for public monopolies and where the rival companies are the big multi-nationals. Nothing comparable has ever been tried before in any of the West's advanced industrial economies. This spectacular change re-

flects the Socialist Covern-meot's hellef in a highly interventionist approach to industrial development. It argues that industry should not be left, as in the classic liberal structure, to adapt itself to the conditions imposed by general economic policy action. All governments, say the Socialists, interfere with industry in one way or another; but under the new French system the control will be direct and unambiguous through the structure of state ownership.

This concept of state cootrol clearly owes a great deal to Marxist notions of economic management. But for many of the present generation of Socialists it also reflects a concern for manufacturing industry as the key element in a modern economy. Industry is seen as the main creator of wealth, the essential backstop against rising nnemployment and the main guarantor of France's position in the world.

#### Employment

Partly becanse France's ability to continue generating wealth and employment bas been fading in the last few years, the finger of accusation bas been pointed clearly at industry. Socialist planners argue that the present crisis is in large part due to the fall in the rate of investment. refiscted in France's slow response to some aspects of the technological revolution that is now sweeping across the Western world. Nationalisation has therefore

become the means of ensuring the investment revival and promoting technological change. Historically French companies are said to have always relied heavily on the state to accept risk; hence the Government is shouldering the hurden private industry (the

While this scenario concentrates heavily on the big groups controlling the commanding heights of the economy, it also gives a place to the country's small and medium-sized companies the PMEs. The Government is just as keen as its pre-docessors about the PMEs, which were shown in a recent study to have been the only companies creating jobs in the late 1970s. So far the PMEs have not responded by showing much confidence in Socialism; but the Government has vari-

The first is nationalisation itself. The modernisation of tha companies recently taken over is planned via a big investment programme which will inevitably create orders for the supplying industries. French-based PMEs should be the higgest beneficiaries of this spending programme.

The anthornies also believe that the nationalised industries that the nationalised industries can help galvanise the small company sector by giving access to some of their specia-lised services. In particular they are being asked to make overseas sales networks avail-able to the PMEs. Much of tha failure of France's smaller companies in export markets, where they are markedly less involved than West German competi-tors, is attributed to weak dis-tribution. Only the hig French companies tend to have these

structures already in place. Linked to this effort for the company, the Government is siming to stimulate the creation of innovative new PMEs. Tha main growth in the small

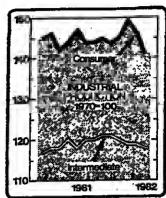
company sector, it believes, has come recently from the estab-lishment of businesses orientated towards new technology. Hence there will be increased aid to fund research workers in the PMEs and additional funds for hringing new products from the drawing board to the production line. Throughout the country the anthorities are setting up advisory committees, manned hy experienced husi-nessmen, to help newly established companies; big companies are to be encouraged to belp managers who want to set up their own company to exploit a new product. The central theme threading

through the action for both hig and small companies is the to face up to international com-need for investment. There is petition and investment in the

FRENCH industrial policy took argument goes) was unwilling no doubt that expenditure on new plant in France steadily when kost pace in the 1970s and has antirely stalled over the last three yaars. Last year industrial investment fell by about 3.5 per cent in real terms.

The question now is whether and if so when-the Government policy actions will lead to an investment upturn.

As in other areas there are external constraints imposing limits on the Government programme. On the financial side, for example, budgetary pressures have screwed down the amount of new capital funds



Goods for final conproducts and industrial

available to the nationalised in-dustries to around FFr 9bn this year. A very large proportion of this will go to the steel in-dustry, just to keep it ticking over. By contrast, the Industry Ministry is believed to have asked for around FFT 15bn. This would have enabled a more widely spread expenditure, with more emphasis on new

growth projects. Whatever the limitations on the Covernment's power, how-ever, it is clearly determined to push stubbornly on with its pump-priming in the nationalised sector. According to M Plerre Dreyfus, the former Industry Minister, the new investment wave should start descript through these his comflowing through these big com-panies within a matter of weeks. It is expected to accelerate next year, as the new management teams settle into place and develop their long-term plans. The main priorities for this

spending fall into two distinct areas—investment in sectors which badly need restructuring

technology industries where there is a premium on innovation. Steel and chemicals are ontstanding examples of the first type of industry; elec-tronics and computers of the second. In all of these areas Government-owned companies dominate the scene in France.

Alongside these projects, centred on tha big "national champions," the Government has annonnced a number of sectoral plans designed to stimulate particular industries

The most important of these is for machine tools, a notoriously weak sector in France but one which is now evolving fast with the develop-ment of electronic control methods. It is hoped to re-group companies and help investment through Government ordering schemes and research backing. Similarly, efforts to modernise the textile industry are being encouraged by reductions in social security: payments which will help the companies generata the cash for invest-

In all of these projects there is a big element of gamble for the Government. It is banding out money to private industry in tha hope that it will he used in a way that will make com-panies more competitive. But it is having to rely for success on owners and managers who are largely hostile to socialism.
Indeed, many of the companies claim bitterly that the new handouts scarcely compessate in most eases for extra charges levied on them.

This difference of philosophy makes the nationalisation pro-gramme all the more important The success and development of the big companies would generate orders for the PMEsparticularly in machine tool and engineering sectors—and would also re-create the general climate of confidence in industry which has gradually away over the last decade.

The nationalised sector would then have what President François Mitterranl describes as a "locomotive" effect on the rest of the economy. But for tha moment the engine is only just lurching into novement. It is impossible to say whether it will be able to hulld up sufficient steam in the next few years to carry off the ramble on Government which

T.D.

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#### **GARDENS TODAY**

# Defence against clematis wilt

BY ROBIN LANE FOX

AFTER THE first flush of roses. April in which the foot of a wall extra stems down on to the soil the wonderful ruby-red Niobe, my attention turns to the clematis. They have been around all summer, of course, but I seem to grow those which flower from July onwards, and at this time of year I notice the larger varieties round porches, on houses, or up wellplaced trellis. I also notice those which look ready to die.

HOUS

Most growers of clematis know that they risk the lethal complaint called wilt. It is a common disease and there is, 1 believe, no cure. Suddenly, a healthy clematis will shrive! and die at its extremities, leaving you with top growth which has to be cut away. Wilt etrikes most often in the weather we have had recently, a long, dry spell which slows growth, then extreme humidity which causes the plants to shootvery quickly before enough -moisture can support them.

I have just lost one stem on an old Marie Boisselot to midclematis on a very wet patch of ground never seem to suffer from an attack. I suspect that costing £4 or more at a they draw up enough water specialist nursery, which offers they draw up enough water specialist mursery, which offers when they start to grow in a replacements at half-price

So, to prevent wilt soak your plants' roots with water over the next fortnight or so. Climbers at the base of a wall are usually standing in soil which is far more dry than we remember. choose a plant with several The recent rains have not made side-shoots or stems near the up for the two months since soil level: You can train these not always an easy plant, and

6.40-7.55 an Open University

London).

Financial

(uhf only). 1.00 pm News After Noon. 1.27 Regional News for

and SE:

Brica-Brac. 4.18 Regional News

for England (except London).

4.20 Play School. 4.45 Joey and

6.00 Regional News Magazines

nd Ernie Wise.

8.30 Now Get Out Of That.

unknown for 24 bours in

the Wednesday Film:

That Riviera Touch,"

5.10 Wildtack.

5.40 Evining News.

6.25 Nitionwide.

1.30 King Rollo. 1.35

5.05 Newsround.

scarcely had a drop.

Experts also suggest that you spray your clematis in spring. summer and autumn with Ben-This invaluable compound deters that old enemy, mildew, and I daresay it keeps down wilt. Do not squirt a dose of Benlate over your plant's topgrowth and then leave it. Instead, aim at the base of the plant and try to drench the bottom two feet or so of its stem. Try to soak the tougher wood of the main stem, too, as you will find that its outer layer tends to split as summer proceeds. I suspect that wilt often enters through this gap in late

three weeks will belp the base of any clematis. Some of the wild forms with smaller flowers seem far less prone to attack. These can be left in peaca. If you grow the prolific pink and white montana varieties, you are unlikely to be too troubled.

Clematis are no longer cheap, against a proven early death from wilt. Elsewhere, how do you know that you are not buying a plant with wilt in it Dixter. already? There is no guarantee, supplies but 1 urge you, if possible, to

and peg them into contact with which was bred in Poland by a some sand and light compost. customer of those fine clematia The stems ought to root into specialists. Fisks of Westleton, this mixture, giving you a on the Suffolk coast. There are reserve branch, in case wilt spoils the main shoot. By layering your plant, you double its hope of survival.

I also suggest that you plant quite deeply, burying two or three inches of atem below ground when you lift your plant out of its black polythene con-tainer. Often, wilt destroys tainer. only the top growth, leaving bealthy roots below ground from which a new stem will appear next season. Never hurry to throw a wilted plant away, but be quick to burn its eased upper balf.

Having watered, sprayed, buried and layered, you may or may not like to add a prayer as well. The risks will never deter me from growing new varieties because most have given more than any other pleasure climbers.

The king of clematis, of course, is Christopher Lloyd, whose book on clematis cuts a clear path through the different varieties and whose nursery from his gardans at Great Northiam. supplies good plants from its list. At the moment, I have eyes for the sky-blue Porle d'Azur, the white Marie Boisselot,

varielties which 1 would want anywhere, among the smaller-flowered forms of viticella and jackmanii, which produce such a mass of flower from now until antumn, and can be trained so neatly over early flowering shrubs, victims of cold winters and gaps in June borders.

Where a person receives

another person's goods believing them to be his own, he is

an "unconscious bailee:" and

tf eircumstances are such that

he has a duty to discover that

the goods do not belong to

him, he then has a duty not

Mr Justice Staughton so held

to damage or destroy them.

when giving judgment for the plaintiff, AVX Ltd, manufacturer

of electronic equipment, in its ection for demages for

negligence egainst the defendant,

EGM Solders Ltd. producer of

HIS LORDSHIP said that AVX,

capacitors, small delicate pieces

of electronic equipment used in wireless, television, computers and sophisticated weaponry. It bad a distribution centre in

EGM produced solder. In April 1979 AVX ordered 60m epheres of solder from EGM. Of

epheres of solder from EGM. Of the 20m which were delivered, 12.1m were defective. AVX com-platned to EGM and sent a sample. EGM agreed that the goods should be rejected, and was informed that they would be returned by road transport.

On September 13 AVX despatched the defective spheres

in one box to EGM. The box bad three labels with EGM's address, and contained a delivery

At the same time AVX wished

to its distribution centre at

goods which could not, by any stretch of the imagination, be

10 times as much as that of

Those 21 boxes of capacitors were each marked with three

labels addressed to AVX at

Aldershot. A delivery note was

made ont and enclosed in the last of the 21 numbered boxes.

RACING

BY DOMINIC WIGAN

Course has brought together the

On the face of things Chalon

strength to strength during the

solder spherea.

send 21 boxea of capacitors

idiary of an American tion, manufactured

solder.

corporation,

Aldershot.

to EGM.

The people at EGM did not

notice that beeides the rejected

solder spheres with a gross

weight of 37 kg, which were to be scrapped, they also had 21 cases of finished cepacitars

weighing 372 kg. They set ebout scrapping the whole lot. Two

ladies io the fectory opened all

The result was that in the

skips there were 12.1m solder

spheres and 891,185 capacitors of 30 different types. It would be

vastly difficult to sort the fodivi-

AVX now elaimed damages

duat types from that mixture.

22 boxes and tipped their con-

tents into skips.

of their capacitors.

gross negligeoce.

own property.

bailment.

Royal Ascot.

ANOTHER intriguing confrontation for the Child Stakes ie in prospect today at Newmarket, mare Areola, Chelon is cleerly

for the fillies race on the July entitled to top market position.

season filly, Chalon, and the appeal in a seven-runner event Jersey Stakes winner, Merlins in which she will be faced with

season; she followed a win on better watched than one in the Rowley Mile course by land- which to take financial views.

as one of

ing the Ward Hill Hendicap on

the way to more important suc-

cesees geined through wins in

the task of conceding 3 lbs to

Merlins Charm, who returned

should have things very much to somewhere near her set with mum trip after a six-furlong her own way. The Warren a game success et the royal success at Epsom when wearing Place filly has gone from meeting.

All in all it may be a race

An attractive chestnut filly by The

Clematis are not just climbers for walls. Many like to spread over other plants, their natural babit in the wild An old variety, called durandii is more healthy and happy when grow over a shrub. 1 welcome its deep, violet-flowers among dreary peoples out of

I will end on a happy note Eight years ago, Fisks sent a strawberry-pink and roseflowered clematis to a customer in the Argentine, who wrote hack to elaim that he had a far better variety. He sent them of plant now known as Dr Ruppel, after him. It goes straight to the top of my list, a variety with deep rose stripes against a pink background, which flowers in May and June and again, more modestly, in autumn. It seems to grow with the greatest ease and is a welcome reminder that not every claim from the Argentine is far removed from

#### LONDON

#### Tonight's Choice

**TELEVISION** 

A good escapist night, with pride of place going to Playhouse on BBC 2 at 9.30 which has Paul Schofield and Geraldine McEwan getting their beautiful yowel sounds around Noel Coward dialogue Come into the Garden Maud, a third of the triple bill, Suite in three keys. (Another one-acter, A aong at twilight, can be seen on Friday). Tonight's play contains the last line Coward ever wrote for himself to say on stage—"Goodnight sweetheart."

Broad humour rather than wit is available on ITV with a repeat of a Christmas edition of Morecambe and Wise. You can have more than enough of the predictable duo by tuning in to one of their unsuccessful feature films That Rivlera Touch earlier in the evening on BBC 1.

There are two new series opening. BBC 2 allows Isla St Clair to grow up—at 7.35 she introduces The Travel Show with Desmond Lynam, which is all about the travel industry. On BBC 1 farring Eric Morecambe teams from Oxford and Cambridge compete in an initiative test, a cerebral Outward Bound course, in New get out of that.

I wo teams accept the Something in Disguise did not quite have the style of the callenge to cope with the done it should take off nicely on ITV.

ANTONY THORNCROFT

8.15 The Man Alive Debate.

9.30 Playbouse: Come Into The Garden Maud.

10.40 A Party Political Broad-cast by the Conservative Party.

SCOTTISH

. 10.00 am Wilderness Afive, 10.45 Little House on the Prairie, 11.30 The Osily Misror USSR Gymnastics Scholar-ship Final, 1.20 Scottlah Noves, 6.12 Tastime Teles, 5.20 Crossroeds, 8.00 Scotland Today, 2.30 Raport, 11.45 Seachd Laithen, 12.15 Lato Call.

e.35 am Seaams Streat. 10.35 Occumentary (Nora). 11.25 Baley's Bird. 11.50 Selly and Jake. 1.20 pm TSW Regional News. 5.15 Gus Honeybun's Megic Birthdays. 6.20 Crossroads. 6.00 Todey South West. 6.37 TSW Lase News. 11.45 The Monta Carlo Show. 12.40 am Poststript.

6.30 am Spread Your Wings. 10.00

9.00 Butterflies.

10.30 Cartoon Two.

10.45 Newsnight.

#### BBC 2

6.40 am Open University.

9.0 Chicago Story: A young lawyer finds herself the target for death.

7.30 News. 7.35 The Travel Show. . 8.05 Elastic Music.

12.30 pm Open University.

5.30 A Night at the Pictures.

6.55 Six Fifty-Five Special.

10.05 Gharbar.

10.30 Play School.

10.10 am Paths to the Futurs. 11.00†
lopalong Cassidy. 1.20 pm Central
laws. 2.00 Central Nows of the Royal
how. 3.50 Contral News at the Royal
how. 6.25 Central News. 11.45

1.20 pm Chennel Lunchtima News. 6.00 Channel Report. 6.30 Bailey's 3 rd. 10.00 Life in France. 11.45 Tha Monte Carlo Show. 12.40 am News and Weather in French.

Thumdarbirds. 11.55 The Adventures of Pareley. 1.20 pm North News. 5.00 Summer at Siz. 11.45 South Leithean. 12.15 am North Headlines.

#### **GRANADA**

C.30 am The Bubbkes. 9.35 All the Way Up Thors. 10.00 Terzen. 10.45 Our Netural Environment. 11.00 Sesams Street. 1.20 pm Geneda Reports. 2.00 Putting on the Style. 2.00 This la Your Right. 5.05 Crossroads. 6.30 Granada Reports. 11.45 Dear. Detective.

HTV 6.55 am 3-2-1 Contact. 10.20 Beachmbem. 10.46 The Extreordinary Paopis Show. 11.10 The World Ws Live In. 11.35 Marryn Baker Song-

writer. 1.20 pm HTV News. 6.00 HTV News. 10.35 HTV News. and Weather in French. HTV Commu/Wales—As HTV West scept: 11.10 am Vicky the Viking. 12.00 Ty Sach Twt. 4.20 pm Hers's 5.00 Ty Sach Twt. 4.20 pm Hers's 5.00 Ty 10.35 Call it Mecanoni. 11.00 Oydd. 6.16 Report Welss.

# Survival. 10.25 240 Robert. 11.15 European Folk Txles. 11.30 Fengisce. 1.20 pm TVS News. 5.16 Watch This Space - Good News of the Wook. 6.30 Coest to Coest. 5.46 News. 6.00

10.00 Tom Mannard table Local Tales.
10.12 The Wurzets, 10.30 Hobert Orsoo.
11.00 Brean Metthew with: Round Midnight (S Irom midnight). T.00 am Encom (5), 2.00 You and the Night and the Music (5).

PADIO 2

5.00 sm Ray Moore (S). 7.30 Tarry
Wogan (S). 10.00 Jimmy Young (E).
12.00 Ghoris Hummford (S). 2.00 pm
Ed Stewart (S). 4.00 David Hamfton
(S). 5.45 News: Sport. 6.00 Js.
(5). 11.30 Folkanese (S). 10.00 News.
(5). 10.00 News.
(6). 10.00 News.
(7.00 News.
(6). 10.00 News.
(7.00 News.
(6). 10.00 News.
(7.00 News.
(7.00

(S). 4.55 Naws. 5.00 Mainly for Placeure (5). 6.30 Cambridgo University Chamber Choir (S). 7.00 A Song of aummer. 6.00 Chettenham Festival 1882, part 1: Mozart, Lennox Barkeley (S). 8.40 My Meery Mornings. 9.00 Chettenham Fastival 1882, part 2: Szravkroky, Haydr (S). 9.40 A Century of Poetry. 10.05 Musec in Our Time (S). 11.00 Howers (6). 11.15 News.

c.00 am Naws Briefing, 6.10 Farming Today, 5.30 Today, 0.33 Yesterday in Parlomant. 9.00 Naws, 9.05 Midwask: Care Francis (B), 19.00 Naws, 10.02 Gardener's Question Time, 10.30 Oally Service. 19.45 Morning Story.

12.27 Maximum Credible Accident (S) 1,00 The World at One: News. 1.35



9.39 am World Famous Fairy Tales. 9.45 Patterns. 10.15
Azerbaidian. 11.10 Struggle
Beneath The Sea: A look at the
sea urchin that resembles a pin cushion and the clingfish who clings to the urchin's spines for protection. 11.35 The Greatest Thinkers. 12.00 We'll Tell You A Story, 12.10 pm Rainbow. 12.30 The Communicators, 1.00 News with Peter Sissons, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Look Who'e Talking. 2.00 After Noon Plus Revisited. 2.25 Racing from Newmerket. Covering 2.30, 3.05 and 3.35 races. 3.50 Three Little Words. 4.20 Storybook International 4.45 Andy Robson. 5.15 Lights! Camera! Anniel A documentary on the making of the film of the hit stage musical

\$.45 News. 6.00 Thames 6.35 Crossroads. 7.00 Where There's Life

7.30 Coronation Street. 8.00 Best - of British: The Morecambe and

9.00 Something in Disguise.
Ricbard Vernon, Ursula
Howells in "A New 10.00 Party Political Broad-

cast by the Conservative Party. 10.05 News 10.35 Janet Company. and

Starring Janet Brown.
11.05 "Fright," starring Honor
Blackman, Susan George. 12.15 am "Sit Up and Listen."
Because of World Cup coverage, programmes will be subject to alteration.

Coast to Coast. 11.45 Jazz and Blues 12.20 are Company.

TYNE TEES

9.20 am The Good Word. 3.25 North East News. 9.30 The History Makers. 9.55 European Folk Teles. 10.10 Cities. 11.00 Survival. 11.25 Stingrav. 11.50. Mumbly. 1.20 pm North East News. 1.25 Where the Jobs Are. 6.00 North East News. 5.02 Cross-roods. 6.25 Northern Lifs. 10.35 North East News. 11.45 Sam Sherry—Stapdancer.

ULSTER

pm Lunchtime. 4.18 Ulszar 6.00 Good Evening Ulster. 10.34 Weather, 11.45 News at Bed-

#### YORKSHIRE

# 9.30 am Casame Streat. 10.30 Jason of Star Command. 10.55 Paint Along with Nancy. 11.20 Harculoids. 11.40 Oor.es. 11.55 Captein Nemo. 1.20 pm Calender News. 6.00 Catender (Embey Moor and Salamon1 solitions). 11.45 Late Night Orama.

11.00 Naws, 11.03 2akar's Oozen (\$), 12.00 News. 12.02 pm You end Yours.

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CLEARVIEW HOME IMPROVEMENTS (LONDON) LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the craditors of the shows-named Compony, which is being voluntarily wound up, sre required, on or before the 29th day of July, 1982, to send in their tull Coristian and aumames, their of July, 1982, to send in their full Christian and aumanes, their addresses and descriptions, full particolors of their debts or claims, and the names and addresses of their Solicitors (il sny), to the undersioned PATRICK GRANVILLE WHITE,

of 1 Wardraba Place.

of 1 Wardrebe Place.
Carrer Lane.
London ECAV SAJ,
the Liquidator of the said Company,
and, it so required by notice in
writing from the soid Liquidator, are,
corsonally or by their Solicitom, to
come in and prove rheir debrs or
claims at such time and place se shell
be apacified in such notice, or in
default thereof they will be excluded
from the benefit of ony distribution
made before such debrs are crowed.

Ostad this 24th day of lines 1932 Oated this 24th day of June 1982.

THE COMPANIES ACTS 1918 TO 1978 GOODYEAR OIBBS (CARIBBEAN)

NOTICE IS HEREBY GIVEN, pursuent to section 293 of the Companies Act 1948, that a Meeting of the Creditoro of the above-nomed Company will be held at the offices of Speth White & Co., 1. Wordrobe Place, Carter Lane, St. Paul's, London ECAV SAJ on Friday, the 18th days of the Links 1932, et 2.30. St. Paurs, London ECAY SAJ on Friday,
the 16th day of July 1982, at 2.30
o'clock in the afternoon, for the purposes montloned in sections 284 and
295 of the said Act.
Ooted this 30th day of June 1982.

By Order of the Board,
R. GOOOYEAR,
Security:

#### **PUBLIC NOTICES**

GLOUCESTER CORPORATION (200,000 Bills Issued today due 0.10.8) (6 12 17/64°, Total apprs. £800,000 (butstanoing £200,000.

#### . a beilee must know wbet he is possessing. . . . " The modern approach was not to clarify the type of beilment, or eveo to accertain whether it wae truly a beilment at all, in order to determine what duty of care, if any was owed to the

from EGM for the market value The first question to be decided was whether EGM owed Ormerod said: ". . . l have always found some difficulty in any, and if so, what duty of care to AVX. Mr Barnes, for uoderstandiog just what was EGM, said that they owed no 'gross negligence' because ... the standard of care required in duty at all, or et any rate, that they would only be liable for a case of builment, or any other

true owner.

be no bailment and

coalesce: ". . . there can be no true bailment without a volun-

tary assumption of possession;

FT COMMERCIAL LAW REPORTS

'Unconscious bailee' liable for damaged goods

The situation was what was demanded by the circumstances of that particular case . . ."

Lord Justice called "undisclosed or surrep-titious bailment" in Polmer on Bailmeat at page 227. The author also referred, at page 228, to the "deceived bailee, or bailee Following Lord Justice Ormerod, his Lordship held that an unconscious bailee, before dealing with the goods, must use what was in all the circum-Those expressione referred to stances, a sufficient standard of

at least three situations includ-ing that with which the present care to ascertain that they were truly his own goods. ase was concerned, namely, One circumstance to be taken where a person had goods in his possession but beheved, coninto account, which tended to diminish the etandard of care, was that the goods bad been delivered to EGM without trary to fact, that they were bis delivered to EGM without invitation and by a mistake on the port of a carrier employed by the true owner. No individual at EGM was consciously aware that the extra

said to look remotely like solder 21 cases were the property of spheres. Their gross weight was anybody other than EGM; and Another circumstance to be some at least of the EGM employees believed all 22 to be taken into account, pointing in the opposite direction, was that the goods had very receotly entered the premises of EGM. It was not a situation where property of EGM. His Lordship would describe the situa-"unconscious goods bad been io EGM'e posses-sion for years, which it might Mr Barnes submitted that it ast of the 21 numbered boxes. was not really a case of bailment All 22 boxes were collected at all. In that be had the support wetl treat as its own with little thought or inquiry.

severely

Half an hour after the Child.

Horage. Prince Reymo made a

successful return to the mini-

AVX LTD v EGM SOLDERS LTD

Queen's Bench Division (Commercial C ourt): Mr Justice Slaughton: July 1 1982 by carriers employed by AVX. of Polmer at pages 227 to 218. On hearing the evidence his Then ao error was made. The who submitted that if the car- Lordship did not form a favourcarriers delivered the whole lot dioal attributes of bailment were not fulfilled, there could of management at EGM. Somethe where in the organisation there defended was not llable of os o was a breach of dury in not dis-boilee, though he might be covering that 21 of the cases liable under general tortious principles. Two general prin-ciples of bailment appeared to coalesce: " there are he covering that 21 of the cases or the property of AVX, before an order was given to scrap them.

There was no negligence on the part of the two tadies on the factory floor. Theirs not to reason why. The foreman, how-ever, bught to have observed that something was amiss. He should have called a halt when eppareous new and carefully packed goods were being thrown into the skips. He should then have tooked addresses on the labels or at the

delivery oote in the last box. in Houghland v RR Low (Lurury Coaches) Ltd [1962] 1

OB 694, 698 Lord Justice of the have ceased to be compared said: 1 have an unconscious haitee, and an unconscinus baitee, and become an involuotary bailee, tt must be the duty of an involun-tary bailee not to damage goods without inquiry of the true owner, unless they were of a

noxious character.

EGM was in breach of duty owed to AVX in failing to detect that the capacitors were the coperty of AVX; and thereafter it was in breach of duty owed to AVX by causing damowed to AVX by causing damage to the goods.

AVX asked for judgment in dollars, presumably because the

value of sterling lad fatlen against the dotlar since the cause of action arose. The tort was purely domestic. It was committed in England where both parties carried on business. The loss was not felt, nor could appropriately be mea-

sured in U.S. dottars. Judement should be given in sterling. Judgment for £39,534. For AVX: Jonathon Hirst (Clyde

For EGM: Jonothan Bornes (Smiles & Co)

By Rachel Davies

#### For the Princess Maiden Stakes, that precocious juvenile Fillies Stakes, a division of will be attempting to which went to Orcus Ring in Kempton's Internetional Stakee extend his winning sequence to 1981, beckers should be wary and in the Coronetion Stakes et seven reces in the Anglie Tele of opposing that now retired filly's stable companion Krakow.

vision supported July Stakes. McCormack juvenile The Stoute-trained juvenile has showed the utmost gemeness in been working in fine style of holding off Kafu in e Coventry lete end is preferred to fellow Stekes finish dominated by the newcomer Gaygo Lady. However, et enticipeted odds of pair; but I somebow doubt him NEWMARKET season's most improved second around 4-7, she makes little giving weight to Prince Reymo season filly, Chalon, and the appeal in a seven-runner event on this occasion. A less 2.00—Krakow\*\* 2.30—Suggestive\* tested colt than

3.05—Chalon 3.35—Prince Reymo\*\* 4.10--Thng 4.45—Feeling Great BRIGHTON

1.45—Keep Me Waiting 2.45—Widd 3.15-Barnet Heir

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**MANAGEMENT** 

# The man who must engineer a miracle

The director general of Britain's new Engineering Council talks to Christopher Lorenz

his new joh to be one of the most thankless in Britain troubles him not one lota except insofar as they might mistakenly think it was also unimportant. They may soon change their minds.

Within days of taking over as the first director-general of the new Engineering Council. Miller yesterday plunged into the first of the council's many unenviable tasks: persuading the country's 50-plus societies and institutions of engineers to eccept its plan to start taking over the registration of engineers in just six months time. This is 18 months earlier than many of the institutions. than many of the institutions expected; they bad fought tooth and nail in the first place against the Government's decision to establish the council.

Acting as a cohesive influence over tha engineering profession's specialised institu-tions — mechanicals, chemicals, metallurgists and ao forth - is only one of the roles Dr Miller haa hitten off for himself. To fulfil the remlt handed down by the Government after over

No human heart, they say, can yearn

For what the eye does not discern;
Except, that is, down in the City,
Where the Invisibles Committee
Is stirred to hidden depths of yearning
By what we cannot see we're earning.

And floating, as their name befits, Unseen, obove our deficits,

They conjure from the upper air, Just like the man who wasn't there,

So, when the visibles are slipping,

Or sterling dangerously dipping Into its periodic voids,

Or unseen royalties and fees,

They calmly levitate from Lloyds,

By acts of prestidigitation, Materialising from the skies, Below the threshold of our eyes,

The means to raise us from our knees.

Thus, month by month, they float the nation

From products which were never made.

Mysterious surpluses of trade

engineers in Britain, he must also try to do the following:

• Improve the quality of engineers, especially by influencing the way engineering is taught in schools, colleges and universities.

• Persuade Government itself to shift more resources into Secure the council's financial viability beyond the £1m three-

#### year start up contribution pro-vided by the Government.

Tall order

· And, perheps hardest of all, start to overturn the widespread social antipathy towards engineering which hes heen social huilt into all of us by more than 150 years of history and "liheral" (as opposed to practical) education.

Even with a council membership of some highly influential individuals, it is an enormously tall order for Miller, his chalr man Sir Kenneth Corfield and a staff which will eventually number et most 30—less than

BOARDROOM BALLADS

THE HIDDEN AGENDA

But he is full of enthusiasm for the task in hand. "I reckon that things are changing in this country," he says with a gentle smile. "Some of the sacred cows are helng shaken np. Just look at the changes in labour. relations, or the impact of the UGC cuts on the balance of university courses. I think the same sort of thing can follow from Finniston. A lot of people will howl and not like the things being done. But we are determined,

As one of the handful of industrial members of the UCC (University Grants Committee), whose cuts last year have in-deed provoked howls of pro-test from the university establishment, he knows whet he is talking about; his mild manner cloaks e steely resolution, as the professional institutions are finding out.

But what about the overwhelming problem of social ettitudes: the notion that being involved with engineering is " getting your hands dirty," end thet people who are engaged "thinking rather than doing?

image of the boller-suited engineer with a spanner in his band, a notion which would he langhed out of court in countries like Germany, Italy, Sweden and Japan, where engineers are highly prized members of society?

"You won't raise the status of engineering in society hy shouting," Miller says characteristically. "You'll get it accepted by helping people to realise that wealth is created by making things — and that engineers do a lot of the creat-ing. The penny is already beginning to drop that we need to look after the people who create the wealth."

It is not surprising that the Engineering Council's members—a mixture of businessmen. trade unionists, academics and others made Miller the unanimous choice for the joh.

A quietly genial man who will celebrate his 56th hirthday in three weeks' time (without much fuss, one assumes) he has the best possible catholic pedigree. He graduated from Trinity

BUSINESS

**PROBLEMS** 

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ciently long to accomplish your

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KEN MILLER is a tacitum but a year of hitter infighting over persuasive man. The fact that the conclusions of the Finniston mooted at one stage.

The fact that the conclusions of the Finniston mooted at one stage.

The fact that the conclusions of the Finniston mooted at one stage.

The fact that the conclusions of the Finniston mooted at one stage.

The fact that the conclusions of the Finniston mooted at one stage.

The fact that the conclusions of the Finniston mooted at one stage. chip away at the public After gaining his doctorate at Aberystwyth in the requisite three years (none of this latterday fashion, much frowned on by the grant-givers, of taking five or six years to complete a doctorate), he emharked on what was to become a 25 year career in ICI.

> In what is now familiar Japanese style, he moved through design, production engineering and other fields before ending up with responsibility for co-ordinating all ICI's engineering activities. In the middle he helped what is now British Rail to manage the elec-trification of the London to Manchester line, and to originate the Liner train concept. Eight years ago he left to

> become managing director of a small part of APV. a public company which makes a wide range of process plant, especi-By 1977 he was managing

director of the APV groups, and hy last year of all of itin charge of £293m worth of sales and 5,500 employees. In

this role he not only had to spearhead the rapid application of electronics to the controls side of the business, hut also had to deal with the problems created for long-term investment projects by APV's dependence on the stock market: "It forces you to think: short-term," be complains, along with many engineering company executives on both sides of the Atlantic.

He took on the Engineering Council joh partly because of the obvious challenge it provides, and partly because be felt he needed a change. "Once you've done three or four years of supervising, the same thing comes up again and again
—it coincides with the business cycle. You lose a hit of your

He is hardly likely to do so at the Council, unless reactionary forces in the engineering profession, Whitehall, the educational estenlishment, and

society at large succeed in swamping his initiative.

Miller admits that much needs to he done to improve the quality of training at all levels of engineering; from er engineering technicians up his way to stress that he thinks through technician engineers some people's criticisms are to the cream, chartered overplayed. Good British engineers (including gradneers are "very good," he says; uates). The apprenticeship side the problems he with the others.

in particular is "creaking at the seams." he points out. Ha is especially critical of the ettitude of mind engendered hy most existing courses, et all levels of education. 'The relative cost of doing things two different ways is hardly ever touched on," he says; money is used as a scale of measurement far less often

then eogineering elegance. Hence, in part, the dehiliteting syndrome in industry of the engineer who can only think technically. Not only does it harm the performance of bis company, it reinforces the imege of the engineer as commercial ignoramus.

Just as serious, says Miller. is the kudos universities attach to research as opposed to product design and development. It is just as intellectually demanding as R and D itselfand many more man-hours are spent on it in industry. But even there its importance is not sufficiently epprecieted, so that

it's often skimped." Miller may tilt at meny of his fellow engineers, end at the educational system which produces them, but he goes ont of

On the other hand, he is damning about the way that some British companies use their engineers. "The ones which didn't know how to use them are fast going to the wali," he claims, clting much of the

car industry as a case in point.
Miller's discraat style, and his emphasis on industry's need to put its own house in order es is trying to shore up a dying much as possible, will assist his profession like King Cenute lobbying in Whitehall and elsewhere for a greater, though bighly selective injection of government funds. He particubighly selective injection of government funds. He particularly supports the Department of Industry's Product and Process Development Scheme, for example, and the Manufacturing Advisory Service. But he would like to see more government and elsewhere. "You'll still funds applied to product de-need mechanical engineers in all velopment in industry.

#### Enthusiasm

As for the promotion of en-gineering in society at large, he intends to build on the two competitions whose running he has teken over from the Dol: the "Young Engineer of the Year," and the "Prince of Wales Award for Industrial Innovation end Production" (which re-ceives a lot of coverage on BBC-TV's "Tomorrow's World").

but in the meantime Miller horizontal.

draws encouragement from the enthusiasm schoolchildren are showing for, microcomputers,
"It's very useful, because it will
help to build bridges between
the sort of people who become
innumerate arts graduates and
illiterate science and engineer-

ing graduates." Lest anyone should think he forlornly attempting to arrest the inevitable progress of the ing, he sees exciting growth prospects for engineers in elec-tronics, bio-technology fectories and elsewhere. "You'll still these areas," he points ont.

Though be concedes that there is an alerming number of industrics at the top of the "S.curva," on the edge of declire, Miller's vision of the future for the British engineer is refreshingly hopeful after all the gloom of the last few years. But first the engine of change" which Finniston called for — the Council itself—must ret into gear. With Miller at the wheel, it must steer slowly np a minefield-ridden gradient which is Other initiatives may follow, set at about 89 degrees to the

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**Plastics** 

#### TECHNOLOGY

EDITED BY ALAN CANE

#### Audio disc system

# music quality

BY ELAINE WILLIAMS

PHILIPS, the Dutch electronics version which can be used in group, will take e atep nearer cars. the introduction of e new audio disc system next month when it begins pilot production of the disc players at Its audio factory in Hasselt, Belgium.

The compact disc. developed jointly by Philips eod Sony In Japan, should appear in the UK players. before the end of the yeer. It will provide music enthusiasts with sound quality presently beyond all hut the most expensive hi-fi systems.

which stores up to e hour of music on a single side in the form of tiny microscopic pits. The pits, lying elong a helical track some 21 miles long, are coded as e digital signal. The digital signals are hurled

beneath the surface of the discprotected hy e transparent plastic layer, from dust, dirt and

the pits beneath the surface so affect the sound quality.

Philips hopes to have three different models of the compact disc player available et, or shortly, after the leunch date. Prices will start at about £350 which, initially, puts the system out of the mass market.

The player will link directly into the conventional hi-fi system. Because of the coding system adopted on the disc, the player can he programmed to play the tracks in eny order, to display track titles, or move ecross the disc at high speed, making it far more sophisticated than conventional record

As the disc is so small, Phillps helieves that it can be used in portable equipment and the company is putting great plant before a mass mark emphasis on developing a smell opened up for the players.

I close my eyes to get a fleeting, Dark illusion of them meeting, With vague, impressionistic spasms Of men outside their ectoplasmschairman, and his ghostly members With poliergeistic non-agendas.

The cure for Treasury dejection

By extra-sensory perception.

And, opaque as the general scene is, They pull, like latter-day Houdinis. Before our eyes see what they're at, The earnings rabbit from the hat; Then off! into the dark air gripping Insurance premiums and shipping!

They do say there by passing strange Doings at the Stock Exchange, Where, disembodied at the table, They're non-corporeally able To do extraordinary feats With our invisible receipts!

Bertle Ramsbotton

Next week: The job description

A rare glimpse of the Paris work on electronics

# Step nearer better French way to beat the nasty shocks

BY GEOFFREY CHARLISH

getting nasty shocks, measure is possible for them to be ren- prevent charge build-up. Its electrostatically the tiny forces dered unconscious. electrostatically the tiny forces produced hy solar radiation on spacecraft, and even generate. The company is to limit its launch to four European countheir own kind of lightning.

tries hecaose Polygram, the world's largest record combine, It was all revealed in an will not he able to produce sufficient discs to support a all too rare exposition of French Government electronics. et l'Office d'Etudes et des Researches Aerospatiales (ONERA) at Chatillon sons larger scale introduction of the At about the same time as Philips enters the UK, West

Germen, Dutch end French merkets, Sony will attack its home ground in Japan sup-Establishment at Farnhorough and Bedford. Chatillon is one It is a small 41 inch disc ported by CBS-Sony with the disc production. Philips will not sell that pleyers in the U.S. hefore the end of 1983 at the earliest. It third is at Toulouse where a has been hampered in that market by the inability to find e subsonic tunnel went into suitable partner

service in 1977.

In 1981, ONERA, with 2,000 employees, deployed operating funds of FFr 540m and invested Mr Bert Gall, who is responsible for the compact disc et the company's headquarters funds of FFr 90m on plant and in Eindhoven said that this was The signals are read by e not a major problem. He said laser stylus which is focused on that It meant that Phillps could equipment. Electrostatics have taken on

a new significance in recent years. As avionic equipment concentrate on the very individual European marketa hefore attecking the U.S. uses more end more microcir- static. cuits with smaller and smaller operating voltages and currents. So far ahout 30 audio equip-ment manufacturers including he chances are increased of a Grundig, Bang and Olusten. Akai, Toshiha, Hitechi and Sharp have agreed to use the or metal-conducted currents. standards for compect disc which ensures that there will he a world standard for the system unlike the problems encountered in video for hoth discs end cassette.

Overall, the music industry is

cautiously optimistic about the

new system, as it hopes that the compect disc will stimulate records sales in a very

Many record producers, how

plant before a mass market is

depressed market.

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AT A French Government But a helicopter attempting to which is electromagnetically establishment on the outskirts winch up survivors from the sea transparent, allowing the radar of Paris they are trying to premay lose its charge through the microwaves to pass through, vent helicopter winchmen from winchman and the survivors: it but conductive enough to

> will prevent charge huild-up— Other work is directed at particularly prevalent in the perfecting resistive devices at rotor-induced spray conditions static discharge points and -by passing a reverse "space current " from helicopter to sea surface.

More potentially dangerous, Bagneux.

however, is the effect on flightONERA is the rough equivavertens. Work at ONERA was
lent of Britain's Royal Aircraft accelerated by the fate of the ELDO rocket some years ago which, after eight years' work of three groups of establish and FFr 3bu, falled when an ments; e second, with a hig electrostatic discharge sbut industrial wind tunnel, is at down the on-board control commondane in the Alps, and the puter during flight.

Non-metallic

Meny ordinary aircraft are grounded even in 1982 during electrical storms since their directional receivers (VOR) Instrument landing systems (ILS), and disturbed and unreliable due to

Electrostatic problems are oneing exacerbated by the use of increasing amounts of composite malfunction due to static dis- non-metallic material in air-charges and their related fields craft structures—in radomes (radar aerial covers) for But there can be other, more obvious effects. For example, aircraft normally discherge themselves electrically on landing (the tyres are conductive).

Gradar extract cuvers, for the discharge part of the discharge part o

dered unconscious.

So at Chatillon they are specially developed push-on trying to develop a device that surface resistivity meter.

edges on the aircraft, prevent-ing sparks between flaps or airbrakes and the wing surfaces. The snag with this kind of investigation is that standard conditions are not easy to re-

So to put controlled quanti-tles of charge on to surfaces, a team et Chatillon has developed a "spray gun" for charged particles. Humid air is passed coarially over a high voltage electrode and through a supersone nozzle, where it turns into a stream of charged

produce. . . .

ice microparticles.

More fundamentally, the way in which discharges take place over surfaces is being looked at. A poeumatically driven mobile cherging comb connected to a high voltage source is passed over the test surface.

A discharge is then triggered over the test surface and the rate of its progress is measured by means of optical fibres placed at intervals down the discharge path. As the light of the discharge passes it goes down each fibre in succession.

application of electrostatics at ONERA is in design of accelero-

has a sensitivity of one teo-hiblionth of one "g." At sucti-tevels, the forces due to sun-light falling on skin of a spacecraft cen be measured. ... The instrument consists essentially of a heavy bell

floating freely and centrally inside an outer spherical shell. Changes in radiation intensity on the outer shell will tend to make it move. However, a feedback loop and

will generate an electrostatic At the same time the patterns force, restoring the outer case as that at St Nazalre to its concentric position. The French high speed even the humble ski.

eccelerating forces are measured by the epplied voltage. The importance of the device is that it can provide important data about the perturbations of soacecraft due to solar radie-tion and residual gravitational

But electrostatics is only a ONERA which is acuipped like most similar esteblishments in Europe and North America to tackle the whole field of structures, engines, wind tunnel testing missile systems and general physics.

It is, for example, something of a specialist lab for vibration, having examined bridges such

The sheet, if put into commercial production, would cost about £1 a sq metre from a plant producing 10,00 sq metres a day. It is claimed that a typical installation would pay for itself within a year.

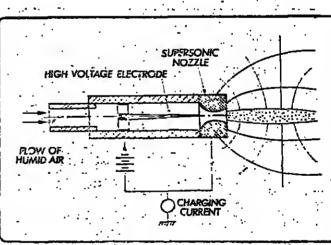
The project uses relatively low temperatures 250° 350° to produce a low-sulphur oil with e calorific value similar to natural crude oli.

France's National Centre for Scientific Research, at Orleans, won third prize with a highly imaginative project to produce hydrogen from water and sunlight using a photocatalytic

trical charges and carrying catalysts to cause charge separation and gas production.

heen operating for very short periods, but the process—which reproduces natural photosyn-thesis—has shown itself to be feasible.

has eased since the competition was started in 1979, the need to develop new energy technolo-



The Chatillon spray gun

meter, for use in space, that

which (in no-gravity space) is

position aensor generate a volt-age which, epplied to electrodes

effects in space.

as that at St Nazaire cars, the French high speed train and

Brunel's costly 1848 railway failure revived by Brazil

# Air pressure to push the commuters on their way

ever, are reluctant to invest in the expensive disc making version, Oskar Coester, how-130 years before.

Coester's company has just line. been given the go-ahead to

has been revived in Brazil. The 12,000 passengers an hour. designer of the 20th century Average speed of the lightweight cars (including stops) ever, had no knowledge of will be 35 km/h. Coester claims Brunel'a experiment more than his rallway can be built for onethird of the cost of e light rail

Brunel's system used a closebuild a 1.2 km single-track fitting piston in a cast Iron line at the Administrative pipe laid between the rails. Centre in Porto Alegre. If the Stationary steam engines at Centre in Porto Alegre. If the Stationary steam engines at the slit in the pipe. The slit service, using 150 passenger intervals along the lina worked was closed by a leather flap capacity cars pushed by air rarge pumps to exhaust air from which had to be lubricated to pressure, is a success, a 7 km the pipe. As air in the pipe in keep it supple. In the pipe in keep it supple. Administrative Centre with out, the piston, connected by small measure due to the reference.

Airtight seal

between Exeter and Newton

THE CONCEPT of Isambard Porto Alegre's new, S-Bahn an iron plate through a slit in which gnawed the leather to Kingdom Brunel's "atmos- style commuter railway." the pipe to the rail vehicle, was feed on the oils.

A second track would be driven forward by atmospheric Coester's system encloses a in southwest England in 1848, added raising line capacity to pressure to propel the train. : much larger pipe with a rectan-

The system was applied on a 32.2 km section of railway track

Abbott but the project was It has a thrust proportional abandoned after eight months to the differential air pressure because of difficulties in main-produced by a conventional taining an airtight seal along centrifugal design ventilator the slit in the pipe. The slit located in the station shead of

Coester's system encloses a gular steel or plastic flap fixed to the vehicle frame. The flap effectively blocks the 1.5m by 1m duct cross section and absorbs energy from the air flow in the duct.

tha vehicle. Pressure and airflow control are achieved through a throttle valve located inside the ventilator intake

The switching problemmoving from one track to another—has been solved by using conventional switches on the track coupled to a door valve device in the air duct which shuts off the unused section.

Advanced technology has solved many of the problems, such as speed control, encoun-tered by Brunel. The Coester ear will operate in more banign simospheric conditions than Brunel's vehicles. The air pressure difference is much lower than in the relatively small diametar pipe used in

Peter Welters, BP chairman,



Second prize went to the University of Tubingen, West Germany, for a process to convert sewage sludge into fuel oil.

The system uses clay-like minerals haaring opposite elec-

The system hes so far only

presenting the prizes, said that although the world energy crisis ries was as urgent as ever.

July 7 1982

HER LOREN

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#### THE ARTS

#### Television

**Michael Coveney** 

# This sporting life

doesn't matter what you say, Chris Dunkley will soon beback to bring a whiff of pro-England, but then hardened fessionalism to the column. He won't hring back Brazil, though. will he? Mama mia, Maradonal that Tony Lewis had been At the outset, I will say that only one of my tips is through

Take 2 week off, they said.

Watch some television. It

in both 1974 and 1978. Their

3-2 victory over Brazil on Mon-day afternoon was one of the

truly great soccer matches and

one of the outstanding television occasions of the principal television occasions of the pear.

It has been a principal few weeks for the silent majority who know that television does nothing so well as cover sport. Why should the armchair fans be thrown on the defendive by the moronic anti-sport brigade?

Nothing from Sir Robin Day

Nothing from Sir Robin Day, "Play For Today" or even The World About Us can provide anything as exciting, vivid or immediate as Patil https://

ing Tracy Austin in the Wim-bledon quarter-finals last Wed-

nesday, or Padio Rossi over-

coming the Brazilians with great play and an already legendary hat-trick

In all three instances com-

to the World Cup semi-finals... West Germany. I am dis-· Pudding heads who have no appointed at the early exit of the Soviet team, thrilled by the success of the French and moved to tears of joy at the hard-won managerial triumph picketing music on the South years ago: of Enzo Bearzot. The Italians should have done much better

mot get much of a shout this cricket fans put up, with a lot time of year, but ITV launched from Jim Laker. The bonns was a new series of Playhouse on a new series of Playhouse on Saturday night with The Housewhile Peter "Whispering" Wardle. Mr Wardle, dammit, has done an excellent re-write joh on a piece that the feeling for aport begin to sound little Open Space Theatre like a tobe-deaf deputation premiered some eight or nine

caught a glimpse of the maestro shrugging his way with incomnarable musicianly timelessness through the bosse classic." The Girl from Ipanema") and Dirk Bogarde giving one of his finest performances in a BBC 2 showing of Fassbinder's Despoir. I punched buttons for 90 minutes and saw not a ball kicked. bowled or served.

Things were getting des-Bank If you go to the Elizabeth On that occasion, a callow perate. The whole notion of Hall, expect to hear music. If music student was taken to one TV gloom was being carefully On that occasion, a callow perate. The whole notion of

Pudding heads who have no feeling for sport begin to sound like a tone deaf deputation picketing music on the South Bank. If you go to the Elizabeth Hall, expect to hear music. If you turn on your

you turn no your television, existed in the kitchen of a small re-defined, however, by the Bir-pect to watch sport. That's what botol and told about sex by mingham outpost of the BBC. it's there for. This may sound like a minority view (people like me with minority views have high hopes of Channel Four) but it isn't really. Everyone likes it! Even Sunday paper-columnists watch it all the time and then try to excuse themsuccessive fours off Bob Willis selves by abusing the com-in the Second Test at Old mentators. What hypocrisy! Trafford, Billie-Jean King beat- None of them could hold a candlo to even John Barrett when it comes to describing tho

television, expect to watch sport."

Hang on, this wasn't the point of the column et all. I was mentary was apt. Jim Laker, hoping to take a look at drama alas, forgot to mention that on TV, seeing as I spend five Patil's foat equalled the world nights a week in the live The Houseboy clashed not Pohhle Mill look lived in. At There is, sometime record for Test Matches in theatre. The single play does with sport, but with a Frank one point sho introduced a tion. I fancy Italy.

technical akill of a cross court passing shot or the background form of individual players.

Thelms Holt (currently running the Round House) in black underwear. Now, and much more convincingly, John (Stephen Garlick) was caught in the pathetic cross-fire of two middle-aged homosexuals, hrilliantly played by Richard Pasco and Geoffrey Palmer. It was a small play, but it knew its limitations. Mr Wardle was indeed a music student and one felt he was paying an affectionate tribute not only to an episode of his own past, but also to the playwright he most edmires (and was one of the first to scknowledge), Harold Pinter.

Not a word was wasted; not a word too high-flown.

On BBC 1, Saturday Live died a frantic death despite the good offices of Gloria Hunniford, a singing amalgam of Katie Boyle and Terry Wngan (her hair, his make-up). Ms Hunniford is great on Radio 2 and a little anxious to please on the box. It could be early days, though, in an auspicious career. I just hope she doesn't end up counting Eurovision Song Contest

She was stuck bere with ewful brantub of booray Nite-Liferie, sycophantic pluggery (mostly perpetrated by Simon Bates sucking up to the cast of Pirates of Penzance in London) and last-ditch efforts to make

lunatic who bad hired the Albert Hall and a scratch orchestra in order to perform Schubert's C Minor for a bet. He was hoping "to get into conducting in a big way." I suggest the No. 24 bus route. Unless the music critics think differently.

Even worse, because more which threatens to cast a nightly pall over the cocktail James (ex-Tispos) and David Soul (ex-Hutch) are our unnecessary hosts. After Monday's embarrassing flasco, they promised, as if pleased with themselves, Molly Parkin and the Earl of Lichfield for Tuesday. Honestly, it makes you glad to be going out to theatre each night.

Apart from sport, the best things all week were children's programmes, despite Professor Staart Hall's analysis of them for the Open University (BBC 2) on Sunday morning. BBC's Playschool and Thames's Rainbow leed the field, albelt in violently contrasting styles.
This contrast is loss of a problem for small children than it is for Professor Hall.

Brazil v Italy had only one serious rival: an ITV Monday morning programme ebout the Mbnti pygmies who inhabit the Ituri forest in Zaire. An American import, it was a totally fascinating and absorbing film about how e small group of small people will live for months on elephant flesh, bravely hunted. This, like the soccer, was real life. To love theatre, you have to love life. There is, sometimes, e connec-

#### La sonnambula/Covent Garden

#### **Ronald Crichton**

The revival of Bellini's Lu and to this country was the sonnambula brings Luciana Garden Tales of Hoffman) as the sleep-walking Amina. A bright forward, securely-placed voice, neither hard nor deeply lyrical; excellent intonation. Though there was not much calculated was Pehhle Mill's shading in the singing one was Siz Fifty-five Special (BBC 2) grateful for the cleanness and clear hrilliance. With "Ah! non credea" in the last scene the finer shades camo too. Tho hour until late August. Sally formidable cabalcita to that aria was slightly rushed, even twittery, but Miss Serra deserved her big success.

Amina's perplexed swain Elvino was sung once again by Dennis O'Noill with tone less well-focused than his partner's but more musical, interesting phrasing and, in his solo scene, a warmth of expression recalling his most likeablo Nemorino in L'elisir d'amore. A newcomer to Covent Garden

Hungarian hass Laszlo Polgar, Serra (Olympia in the Covent Rodolfo, a little too shy perheps m Monday to give bls singing the lustre and presence the music demands. Teresa Cahill sang the jealous Lisa — attractivoly warm sound, unfortunately with the words clinging to the back of her throat. I like most of Filippo San-

just's romantic Swiss views. executed as a kind of fantasia nn traditional methods of scene-painting, but in his other capacity as joint producer with Richard Gregson Mr Sanjust's dispositions are inhibiting to the chorus. The men wear their William Tell hats with an air, but they and their womenfolk atand around to a degroo which casts a slur on the industrious Swiss poasantry and throws a heavy strain on some pages of Bellini's score which for the kind of unobtrusive



Luciana Serra

Visconti production. Manrits Sillem conducted. His competonce was rewarded at curtain-call with a solitary. loud and unjustified boo emons

#### Duck Hunting/The Gate at the Latchmere

movement used in the famous

#### Rosalind Carne

1972 and this is the first time of his work his friends and his handling throughout might one of his plays has been shown marriage. His wife, Galina is rescue the play. John Ahbett's in this country. I find It hard to recommend as an evening's entertainment, but it is certainly an interesting theatrical

There is nothing very dissident here; the strains of existence under Communism are molified by a crudely humorous outlook, Nevertheless, it does afford an intriguing gilmpse into the oppressive stultification of modern urban Soviet stage.

atinn, yet Duck Hunting is a his hunting partner Dima. who, good example of the way in unlike them, is free from the which the logacy of genius can restrict as easily as it can nurture. Zilov is a bored cynical engineer for whom the annual Duck Hunt hes become a symbol

devoted and sympathotic but be finds her tedious, preforring the company of a series of attractivo mistresses. endured his ill-treatment and indifference for five years, she finally deserts him for an old school pal.

Wo meet our unlikeable bero in his tiny, grey flat at the beginning of the hunting season. A prolonged flashback leads up to his personal crisis (Chek-Russia, es well as an indication hovian pastiche) and introduces of what is permissible on the a gallery of stock characters a gallery of stock characters—colleagues from the Central Chekhov, notably Iranoc, is Bureau of Technical Informthe obvious source of inspir- ation, assorted girl friends, and

taint of hypocrisy. ance as Galina, Hor heart-felt version interpretation encouraged me to Thoatre later this year.

Nepalese Dances/Bloomsbury Theatre

Aleksandr Vampilov died in of escape from the mediocracy believe that a more careful Zilov is o convincing per-sonality but sufficiently un-sympathetic to muddle the ethics of the plece.

This thostre's resident direcunr. Lou Stein, has allowed the rest of the cast to rely on a superficial and spikey comic exaggeration, with the excep-tion of Natalle Ogle who brings tnuching innocence to her portrayal of the student Irena.

Pascale end Pip bave created spartan design of painted flats and the concrete view from the bedroom window is as horrifying as anything in the text. The translation by Alma H. Law sounds somewhat stilted thnugh, in my ignorance of the Annie Hayes gives the unity nriginal, it will be easier to genninely affecting perform judge on hearing Poter Tiegel's the National

#### All's Well That Ends Well/Barbican Theatre

B. A. Young

quality about All's Well that for they were in Spain watching me sets it so high among Shakespeare's comodies," I wrote of a previous production and this new production under . Trevor Numa's direction is more realistic than ever. Not believethis century, which is the time Lindy Hemming's costumes sug- Florentine Diana, who lures the gest, there was a war in which unfaithful Bertram to ber bed French soldiers of fortune were but substitutes. Helena in the serving in the Florentine forces. dark, as if she were Mariana But realistic in the way the from the moated grango, is characters think and behave, twice as much fun and Cheryl avoiding their duty if it seems. Campbell has a splendid time unattractive, giving way to the with her.

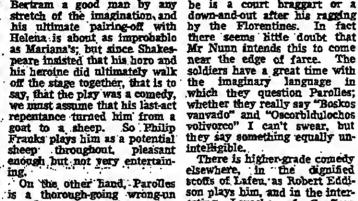
a football match. There is a slight snag about

bad characters are so much more likeable than the good ones. Harriet Walter's Helena this Helena turns out to be. The

"It's this unwontedly realistic are away from home, just as if Not that anyone could call vellous time with him, whether that nue longs for another There is a slight snag about his ultimate pairing off with such realism and this is that the Helena is about as improbable oble, of course; we aren't to is an admirable performance, off the stage together, that is to think that in the first decade of but by God what a dull person say, that the play was a comedy,

Bertram a good man by any stretch of the imagination and

lightest temptations once they. The same applies to the men. and Stephen Moore has a mar-



down-and-out after his ragging calibre. hy the Florentines. In fact Mr Nunn intends this to come near the edge of farce. The the imaginary language in which they question Parolles; whether they really say "Boskos vanyado" and "Oscorbidulochos volivorco" I can't swear, but they say something equally un-There is higher-grade comedy elsewhere, in the dignified scotts of Lafen as Robert Eddison plays him, and in the inter-

esting Lavache of Geoffrey Hutchings, bent double like Rigoletto and, like Rigoletto, upper classes.

But where true dignity is required, it is amply provided.

The designs by John Gunter, depending a good deal of sliding panels, are never obsessive and Peggy Ashcroft as the Counters of Rossillion is perfect, noble, maternal, affectionate by turn admirable and speaks with such clarity mended.

intelligible.

be is a court braggart or a generation of actors of ber John Franklyn-Robinson didn't seem to me to there seems little doubt that be suffering very much from his fistula, even though it confined him to a wheelchair; but once Helena had performed her magic cure and be had become erect again, even lively, he was a true king, if only of France. The dance he had with Helena to demonstrate his revival was courtly: but the dance of the Florentine soldiers later on made me think of Woyzeck with its hint of hidden menace. The musicians that played for those affairs made an appearance of their own as the regimental band after whatever campaign it was that the Florentines bad

> The designs by John Gunter, panels, are never obsessive and always appropriate. The whole production, in fact, seems to me admirable, strongly to be recom-

#### Clement Crisp seem naturally jovial and that erando, and the flash of cos-

I find the group of Nepalese dancers and musicians, who are at the Bloomsbury Theatre for the rest of this week, very jolly. Their dances are in the main

short—an immediate bonus for the hahitue of folk-dance troupes; their manner is direct, engaging; presentation is simple to a point of austerity and none the worse for that; there seems not one nver-blown, overdecorated Item.

If this does not immediately find out more shout the varied included HRH The Prince of Sophisticated in manner, though of Nepel, let me add that the Movement is in the main welcome breath of a fresher air emotional climate of the evening lively; dances for men and than we usually breathe in the is buoyant, that the performers women tend to end on an accel- city.

there is that rare feeling of authenticity about the proceedings which nothing can replace. My knowledge of Nepal is limited to this evening's enterthe world are entirely un-

tumes, the bright eyes and hright steps of the dancers, are uncompromisingly charming. Beautiful and sprightly a

Malthali dance tainment, but years of watching southern horders of Nepal, the tricked-out, trumped-up en-roulades of the accompanying sembles from the four corners flute matched by the vivid tripof the globe has taught me that pings and alert rhythms of its these dancers from the roof of interpreter, Miss Shanti. Greatest fun the peacock dance-peaaffected in their delight in cocks, we were told, dance at dancing, drumming and playing the sound of thunder in Nepal.

#### Henze's Barcarola/Barbican

David Murray ....

Werner Barcarola arrived in London a brazen fanfare for Charon, to yesterday, a little late (its be relterated implacably later, Zürich première was two years while keening lines in Henze's ago), steered by the composer himself with the London Symphony as crew.

Borcarola proceeds for 20 minutes, like a gross expansion gondola pieces (themselves inspired by the funeral of Wagner in Venice). I have not amid tha sombre hubbub-Henze has always been reedy to over-egg the pudding.
The work opens with threatening drums and a shud-

Henze's dering bass semitone; there is arioso vein begin to strotch out.
The official barcarolle-theme comes et last on solo viola, vory

gently.

The prevalling tone is violent of one of List's Lugubre and expressionist. As the gondola pieces (themselves material is developed, successive furious waves rise higher. The last climax is shattering seen the score to explore it, but and it subsides to disclose a it seems likely enough that vision of "the other bank," the there is a Lissian quotation homecomer's Ithaca—but here the evident parallel with Strauss's Death and Transfiguration fails, for there is no elevated optimism; only e frail, chiming ostinato.

# Arts news in brief

Krisztina Laki is indisposed stono. and will be unable to appear as planned in the role of Sophie in the performances of Der Rosen-kovelier at Glyndebourne from

Up to 53 of the world's most talented young violinists, all under the age of 20, will compete for £15,400 prize money in the new Yehudi Menuhin International Violin Competition sponsored by Orion Insurance in April next year. The com-

The age groups—under 16 and 16 to 19—will he considered by the judges, the first prize for catogorioa being £2,500 and £3,500 respectively. The senior winner will also be offered a July 14.

Her place will be taken by winner will also be offered a concert engagement with the sung the role at Glyndebourne Royal Philharmonic Orchestra conducted by Yohudi Menuhin

National Wostminster Bank able time." bas announced a four-year sponsorship amounting to £400,000 for the New Sadler's Wells Opera. The company will commence performances during January 1983 and will be petition will be staged in Folke-

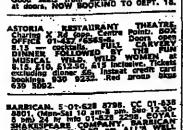
administered by Sadler's Wells Trust and based at Sadler's Wolls Theetre.

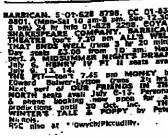
Mr Phillp Wilkinson, deputy group chiof exocutive, National Westminster Bank, commented: "Our new support to Sadler's Wolls will enable them to bring hack to the London musical scene something that has been missing for a consider-

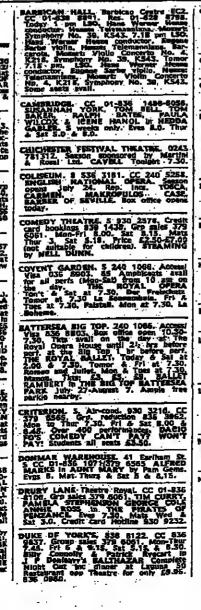
Mr Stephon to director of Sadler's Wells Her's Theatre, said the sponsorship represented " an important milestone in the history of the Wolls.

# THEATRES

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Peggy Ashcroft and Harriet Walker







#### F.T. CROSSWORD PUZZLE No. 4,916 ACROSS

Chants in key in prison (4, 4)

5 Disgust, but it's not on before the finish (6) 9 Influence past events, but withdraw nought inside (8) 10 Gas deflated in front of us

12 Drink and dence that boxers use for training (5-4) 13 Praise, without nephew of Abraham returning (5)

4 Nothing more than a lake (4) . 16 A summons in the course of time (7) 19 Deltaic formation or it could

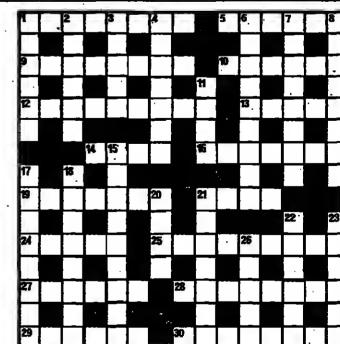
be from the mouth of man (7) 21. A path to travel (4) 24 Scandinavian from north or south-east (5) 25 Landing in Rugby? (5-4)

27 Drunken son in ballet dancer's garment (6) 28 Be opposed to in principle and fail to correspond (8) 29 Old senator going to French island (6) 39 The way to live cheaply and

without tears (4-4) DOWN

(6) 2 Head worker is nodding (6) 3 A heavy blow giving watery stow (5) 4 Close one eye to make lace

tive cover (9) 7 Allowed to give 2 name to



8 Reveal a record, hat fail to win (8) II Reprimand friends turning

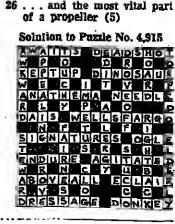
up (4) 15 Basic disembodied spirit (9) 17 Inflammation of a gland, and

what a study it is (8) 1 Conflict or fight to the east 18 Spanish port without a (6) 20 Betting machine to note (4) 21 Choice of roads taken, going

around in a usual procedure in French resort (7)

6 Lie incorrectly with protec
22 Extreme fear of a type of film (6) 23 Be an inseparable part of,

within this place . . . (6)



#### **FINANCIAL TIMES**

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Wednesday July 7 1982

# A way forward People often ask me whether I ever thought of starting this husiness in Britain says John in accounting

Accountants are now filling in their voting forms to decide on the Keymer and Haslam resolution that the current cost accounting standard SSAP 16 should be scrapped. With some 12,000 votes nut of what is projected to be a 30,000 poll stready counted, the threat to the accountancy establishment emerges as heing very real; some 521 per cent of the votes are anti-CCA, although the

That CCA remains a highly controversial subject has elready been proved by our correspondence columns. Now there is the likelihood of an unprecedently high voting response in the institute's poll, proving that the controversy extends right through the profession. In Exself, this must be a severe disappoint-ment to the leaders of the profession who devised SSAP 16, introduced two years ago. The hope at that time was that the planned three-year experimental period — during which the to the underlying performance standard would not be changed of companies than the HC would provide a breathing space during which the arguments could simmer down.

Th idea was that after three years the standard would be modified in line with ex-perience and measures would be taken to adopt CCA as the main form of accounting—thus end-ing the somewbat embarrassing present system of dnal report-ing. Enthusiasts for CCA were also intending that this method would he extended beyond the listed company sector (plus a few large private companies) and would be more generally

Whatever happens in the institute's poll at the end of the month, such hopes are looking increasingly unrealistic. The Keymer and Haslam resolution is a mischievous one, which owes more to a basic hostility to accounting standards as such rather than to any considered approach to the problems posed by Inflation. There is no adequate excuse for reneging on the implicit bargain struck wheo SSAP 16 was launched. But it would appear that the leaders of the accountancy pro-fession have failed to achieve a

routinely modified by the incorporation of asset revalua-tions and depreciation over unrealistically short asset lives. CCA has many advantages over the HC method. It provides a much more realistic balance sheet, and is a potentially valuable system for management purposes in that its indications of profits fit in closely with variations of cash flow, and that its concept of profit is based upon the maintenance of physical capacity. But being a subjective system it needs sensitive handling, and it bas disadvantages as a system for ballot period will not end until reporting profits to share-bolders whn may be better served by a method of accounting which reflects changes in the level of shareholders'

#### Opposition

For all the opposition by the backwoodsmen, many companies bave found CCA to be of real value. In the atock market CCA earnings have usually been found to provide a better guide equivalent—though the latter earnings basis is of course much more flattering to companies. Having come so far along the

CCA road, it would be hetter to persevere, improving the system in the light of experience. But if the apposition within the accountancy profession and industry makes this politically unrealistic, then the time may have come to take another hard look at the possibility of reviving the current purchasing power approach which was the profession's original choice back in the early 1970s.

The entrenched Whitehall opposition to any form of general indexation which killed off CPP by means of the Sandilands report in 1975 has now mostly evaporated, Granny bonds and index-linked gilts have been launched, and indexed relief is now granted on capital gains, Indeed, the Inland Revenue has appeared to be much more sympathetic to a general index approach than to the kind of specific price accounting, with multiple indices, embodied in SSAP 16.

To restrospect the Inland Revenue's opposition to CCA

has been an important factor in the debate. One of the attractions of CPP is that it might ithln their own ranks, bring public reporting and tax There can, however, he no accounting closer together. The bring public reporting and tax question of going back to Keymer and Haslam resolution historical cost accounting alone. Is an attempt to turn the clock is an attempt to turn the clock Such a system in any case no back; the accountancy profeslonger exists in Britain, where sion must now find a way of so-called HC accounts are moving forward.

# The Falklands inquiry

Thatcher announced yesterday perative. are unexceptionable. It is Fur a start, there is the busi-entirely reasonable that the uess of bow the signals leading. inquiry should he able to take account of "such factors in previous years as are relevant." by the British Embassy in but even more to the point that Buenos Aires, the Foreign it should concentrate on the Office in London or both. The period leading up to the Argentine invasion in April. These were the terms for which Mr Michael Foot, the Leader nf the Opposition, was arguing in the last few weeks.

#### Mistakes

There are however, reserv-tions. It would be churlish to criticise the appointment of Lord Franks as chairman on grounds of age alone, though he is 77. No doubt be would not have accepted the task if he bad not felt up to it. But he is a slightly establishment figure, perhaps a little bit too much at home in conductiog nfficial inquiries without bloodying anyone's nose. His appointment does not show great

The membership of the inquiry team raises a more general point. In so far as mistakes were made in the attack and was aware of Argen-events that led up to the Falk-lands crisis, they must largely band every time the idea of a have been the mistakes of government. Appointing Privy Counsellors in investigate them smacks a shade of allowing the accused to try their own case. Again, we know from ex-perience of select committees that, whatever the virtues of cross-party co-operation, there are two potential defects. One is that the politicians sometimes divide nn party lines. The other isthta they tend to agree in bland terms and produce a cover-up for the system. Lord Scarmao's inquiry intothe Brixton riots last year was an outstanding example of bow this kind of political dilemma can be avoided. No-one doubted his independence.

technicalities apart, there are defence commitments.

THE TERMS of reference of the other questions which make Falklands inquiry which Mrs the holding of the inquiry in-

up to the Argentine invasion inescapable fact is that the British Government machine was caught napping and a bloody war ensued. General Galtieri and Sr Nicanor Costa Mendez, his Foreign Minister, always said that they were sur-prised by the scale of the British response; so were some people at home. But it is just possible. as Mr James Callaghan has suggested, that British diplomacy had led them to helieve that they could invade with

impunity. The wider questions, however, concern the relations between nfficials and politicians and between politicians and the public. On the one hand, under successive governments the Foreign Office had been seeking a negotiated solution precisely because it foresaw that it would be difficult to defend the Falklands from negotiated solution was put to Appointing Privy Parliament it was shouted to investigate them down. The public or at least a substantial lobby, supported

#### Resources

The result was that governments tended to duck a potentially explosive issue. There is something seriously wrong when the Foreign Office can identify a problem, the Ministry of Defence knows that a territory cannot he easily defended and senior mimsters run away. Parliament and public were living in a dream world, yet officials were impotent to shake them out of it. The inquiry The House of Commons has will be of value if it leads to the opportunity to debate these greater public debate on foreign matters tomorrow and should policy and m the necessity of use it to the full. Yet, the matching defenca resources to

the U.S. from Britain in 1974, is president of Grid Systems, a two-year old Californian company which bas made quite a splash with its first product, a portable computer which sets

new performance standards for its size. It is extremely powerenough to slip into a briefcase.
Ironically, the computer's
most striking feature, its slimline exterior, is the work of a London design team, Moggridge Associates. But in most other respects, Grid Systems' hrief history is a textbook example of the new wave of high-technology companies which are springing up all over Silicon

ness in Britain," says John Ellenby, "The first time I heard

that question, I simply stared back in blank amazement. I'm

not sure that I could do this

Mr Ellenby, who moved to

outside Silicon

Mr Ellenby started out with \$50,000 of bis own money after leaving Xerox's research and development centre in nearby Palo Alto, where be had working on advanced automation systems. Seven months later, he raised another \$170,000 from friends and husiness contacts.

Since then, he has secured a further \$12m of venture capital backing and assembled management team. Grid Systems' offices in Mountain View are so new that they don't even bave a name plate on the door. But several of the senior executives are seasoned entrepreneurs who bave already helped found successful elec-tronics companies in the area. The U.S. bas enjoyed hightechnology "start-up" booms

technology "start-up" pooms ready to make an products for before, notably in the late him.

1960s. But none has equalled "An entrepreneur need not the current surge of activity.

Own a penny's worth of products own a penny's worth of products. which hegan about three years tion equipment," according to ago and is at its most Jim Riley, a founder of Datavisible in Northern California. quest, "He can have his com-Hundreds of new companies have sprung up there to seek their fortunes in personal computers, telecommunications street to be wired together and equipment, office products. computer software and related

in the industry, a good marketable idea and is technically
to start a business is only a
phone call away," according to
Ken Mackenzle, an analyst with
Dataquest, a Cupertino, California, market research firm
which specialises in the
interest of microchips to new
competitors. During most of the
beavy investment
needed to keep abreast of the
latest advances in semiconductor production equipment kept
new entrants out of the business
of making "standard" chips,
which are turned out by the which specialises in the million to an identical pattern.
electronics industry.

But in the past two year.

corporate birthrate. One is the "custom" and "semi-custom" availability of inexpensive components. These are intemass-produced microchips, grated circuits which are which can be assembled into equipment and systems with specifications of individual relative ease. The second is a customers and can be made big increase in the supply of profitably in volumes of only venture capital, which provides a few thousand. the launching pad for most new

U.S. VENTURE CAPITAL

The Silicon Valley goldrush

By Guy de Jonquieres

Denny van Ness, a partner in Hambrecht and Quist, a San Francisco investment banking and venture capital company.
"The key to success lies in the marketing."

The Silicon Valley entrepreneur has another advantage. He has access on his doorstep not only to much of the most innovative technology in the industry, but also to a wide variety of companies which are

ponents tested in one place, mounted on printed circuits in another and shipped down the

The application of new technology is also npening the manu-For anyone who bas, a name facture of microchips to new But in the past two years

Two forces have converged more than a dozen companies to prodoce this vigorous have been formed to make corporate birthrate. Our is the "custom" and "semi-custom"

The business—which could rival "standard" chip produccompanies.

"The challenge of huilding tion in size by the end of this a microcomputer these days is century—has been revoluation as great as crossing a tioused by the use of combusy downtown street," says puter-aided design (CAD)

equipment to lay out the thousands of microscopic circuits on a silicon chip. Wiff Corrigan, chairman of LSI Logic, a semi-custom chip manufacturer set up 18 months ago, says that his company charges about \$100,000 and takes about six months to make a fairly complex chip. A "standard" part would need perhaps two years to design and an investment of \$1m or more. Within a few years, he

large computer on a single The surge of venture capital which has financed the start-

predicts, LSI Logic will be putting most of the circuits for

The returns on successful ventures can be very good: an annual compound return of 30 per cent is regarded as par, and it can be as

high as 80 per cent

per cent to 20 per cent.

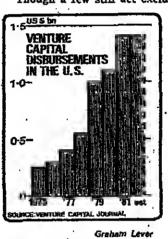
IN THE U.S.

capital gains tax rate from 60 The following year the amount of funds invested almost doubled to \$1bn from \$550m, according to Stanley Pratt, publisher of the Venture Capital Journal. It has continued to rise, reaching \$1.4bn last year. Mr Pratt estimates

that almost two-thirds of the money went into technology-related ventures, and that 25-30 per cent was invested in Silicon Valley.

The first venture capital deals were made in the 1950s by wealthy individuals in search of high-risk investment opportunities outside the quoted securi-ties markets. "In thuse days, it was an art form practised by s few gurus," Mr van Ness recalls. Today, there are more than 200 venture capital firms in the U.S., and they pride themselves on having brought degree of professionalism to

Though a few still act exclu-



up company boom can be sively for rich families (the traced directly back to 1978, Rockefeliers have their own when Congress reduced the U.S. firm, Venrock), financial institutions such as banks, insurance companies, pension funds and university endowment funds are the source of most of the money these days. Some large industrial companies, including Exxon, Xerox and General Electric, have also established their own venture capital offsboots.

The most profitable investments are made at the start-up stage, and that means taking quick decisions. Most vecture capitalists decide on a proposal less than three months after receiving it. It is rare for a single venture capital firm to

provide all the finance for a new company—most like the keep their exposure to below Sim a time—and the investment is usually syndicated between several participants. After that, venture capitalists adopt a Dutch uncle role, supplying advice and contacts needed to shepherd the new company through adolescence and providing second and third rounds of equity finance. Most aim to realise their profits with

most start-up ventures are founded by men who decide to split away from established firms. Some successful corre-

preneurs have eet up as many

as three companies in succes-

sion, leaving each one after it

has become a going concern.

ain to realise their profits within about five years, when the company is floated nn the U.S. Over-The-Counter market or is taken nver by another firm.

The returns on successful ventures can be very good indeed: an annual compound return of 30 per cent is regarded

as par, and in a few exceptional cases it can be as high as 70-80 per cent. Venture capitalists are less keen to talk about their failures, though they admit that the casualty rate among startups can be bigh. "But if you don't have some failures, you're not trying hard

According to Franklin John-

son, president of the Western

Association of Venture Capi-talists, institutions typically set

aside up to 5 per cent of their total investment portfolios for

venture capital. They contract

with a firm to manage it, usually

Veoture capitalists are drawn

from a variety of backgrounds

come from banking. Mr Johnson estimates that about three-

quarters of his association's

degrees-" That's the main-

some have first-hand experience

mine the business ability of

\$50m into the same market and

good investment opportunity."

of running a business.

-business management, the law, engineering, even journa-

though surprisingly few

engineering

on a 10-year basis.

members have

ennugh," says Mr van Ness.
"You could lose half your investments and still make money, provided you've picked the other half right." But with so much money still

seeking a home, will there be enough good investments to go round? Venture capitalists say that competition for shares of the best start-up deals has grown much fiercer, and the prices being paid have risen sharply.

panies have already been sct up stream education for the regular guy out here "--and to exploit markets which are still embryonic, and that a shake-out will occur among the later and weaker entrants in a But such attributes play a couple of years. Mr Corrigan secondary role in evaluating a forecasts that several of his competitors in semi-custom chips may not stay the course.

During the late 1960s,

according to Tommy Davis Jr
of the Mayfield Fund, a pioneer
of venture capitalism. "By far
the most important part is glamour stocks which resulted venture capital activity ground in spectacular losses for assessing the quality of the in spectacular losses for people in the team. We go to investors. Venture capitalists tremendous lengths to deter say that the business is better organised today, that investments are made more selectively "When we're satisfied, we and that portfolios are more assess the market. We usually diversified. Mr Pratt also try to avoid backing products which are absolutely new investment is shifting, with because it's hard to guess the more money going into lower-demand for them. But if other risk second- and third-round people are already selling about financing, and less into start-ups. \$50m into the same market and Tommy Davis, who has been it's growing, it's probably a in the business since the begin-

ning, keeps a cartoon in his Venture capitalists depend office, clipped from the New for much of their information Yorker magazine. It shows two on a sophisticated hush tele- Wall Street brokers talking in a graph. News travels fast in bar. One is saying: "And ven-Silicon Valley, and so do people. ture capital—remember venture It is not unusual for some capital?" "It keeps me from employees to change companies getting a big head," says Mr two or three timea a year, and Davis.

# Men & Matters

victory over Brazil in the 1946. But it cannot have World Cup stave off a political escaped his notice that it will now be that much more difficult for his fractious colleagues in inevitable? This was the question heing asked in Rome yesterday, the morning after this scheduled reckoning later this the explosion of jubilation in week on the more mindane the explosion of jubilation in every Italian city and village which greeted the national tcam's surprise success,

By no means the most restrained reveller was the Prime Minister himself, the colossal and rotund figure of Giovanni Spadolini, who, soon after the end of the match, swept oot of bls official residence in Rome, the Palazzo Chigi, to join the crowds. To the consteroation of his bodyguard he waded through the cheering throng to the Via del Corso, the normally lethal main street of central Rome, about-ing "Viva l'Italia," and embraciog children with one hand while waving the green white and red Italian flag with the nther.

Most unlike the usual behaviour of Italian Primc Ministers. They are often loth to tear themselves away from the smoke-filled roms where compromises are made and coalitims broken, and rarely enjoy much rapport with the

But Spadohni is different: he so obviously enjoys the job of Prime Minister, gladly accepts the role of national figure and has found that Italians, who generally hold their political leaders in low regard, reciprocate.

When Italy beat Argentina last week he appeared, like a Royal, on the balcony of bis palace and last weekend paid an evidently effective visit to sense of the implications for Barcelona—en route for Madrid agricultural spending.

— tn wish the national team This public credo caused

tbe spontaneons action on Monday night of this 57-year-old hschelor, the grst non1 EN Was this the birth of another historic political crusade? Why, no. "I am not," said the shadow Could Italy's remarkable Democrat Prime Minister since victory over Brazil in the 1946. But it cannot have

> week on the more mindane issue of Government policy towards the Scala Mobile or wage indexation. If the warring Christian Democrats and Socialists decide to retreat from the brink (which they may well do), it could just he that reluctance to bring down an obviously popu-lar Prime Minister, currently presonifying a surge of pat-riotism, bas played its part. But that may be too much to

#### Hats off

There are at least two ways of campaigning for the job of next leader of the Labour Party. There is the Tony Benn method nf ardently espousing every left wing cause. And there is the Roy Hattersley route, demonstrated at a Press conference in Strasbourg yesterday.

expect from the sunless corridors of political power.

After a meeting with Labour members of the European Parliament, Hattersley gave his opinion that one of the objects of Labour's alternative economic strategy—reducing un-employment—would be "defeated" by British withdrawal from the EEC.

had not done enough work nn possible consequences of withdrawal on luward investment and job losses, he said.

any motive other than joy for Barbara Castle's eyes flashed, no relation to the real facts of

spokesman for home affairs, "going to build a great cam-paign against established party policy." The party had to be kept in one piece. I am extremely interested in Europe but I am more interested in the Labour Party."

Did be have any other interests such as serving in a front wheels

Labour Government committed in EEC withdrawi? "Let's get elected first and see what happens afterwards," replied this trusty keeper of ever-open

#### Cross current Accountant David Keymer has

a surprising problem with acronyms. Yesterday be and his Sussex practice partner Martin Haslam summoned s press conference to air their views on inflation accounting. Keymer had to be told halfway through what MCP stands for. (Words applied to someone who, like him, invites a female reporter to step forward as the only available "mother" to pour out the coffee.) But CCA, of course, are the

initials which really upset bim and his partner—acronym of the dreaded current cost accounting which has been imposed on most publicly quoted companies by the powers that be in the accountancy profession.

Keymer and Haslam are forging ahead with their cam-

paign to have CCA rejected in After huying some shirts in a the July 29 poll of all members The party's national executive of the Institute of Chartered Accountants. They are personally footing the bill for an advertising campaign complete with sultable graphics (CCA's mixed with BAA's, that is, with a lot of sheep standing about the place).

Both men see CCA as a luck.

pursed lips among the anti-product of the kind of establishIt would be unfair to impute marketeers who flanked him, ment view which hears little no ment view which bears little or

life-" just like the establishment's view of the EEC or of prices and incomes policies in the past," says Haslam.
On the wall above them, a portrait seemed to shift alightly on its book but Keymerf came to the rescue. "We are not rebels. We are not Scargills of this world. It really is just CCA we're against." we're against."

#### Avis may try harder, but it is

a trip from the Israeli border in Beirut yesterday five Avis cars were spotted damaged and abandoned by the side of the road, while noly three Hertz cars had suffered a similar fate. The number of bire cars lost

in the war in Lehanon has been growing, and now the car hire companies have demanded that journalists renting their cars in Tel Aviv must sign a special form accepting liability for any damage to the cars which is incurred outside Israel or the occupied West Bank and Gaza

Pity the American television network whose cameraman lost three cars in Lebanon in the early days of the war. One was hit by Palestinian guerrilla fire, annther was sideswiped by an Israeli tank, and the third simply fell down the side of a hill. The driver survived to try to find another car hire company willing to provide him with a new car.

#### Waggish

West End shop, the assistant showed a colleague a trya of silk ties with red and purple dogs' beadson a pink back-ground. "No, thank you," my colleague said, "they're much too fierce for me," "You must be joking," the assistant retorted. "They're

Observer

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# An East-West tightrope act

By David Buchan, East Europe Correspondent

WE ARE lika a swimmer doing breaststroke with one arm and butterfly with the other. It seems almost impossible, but somebow we are keeping afloat." This is how Mr Reszo Nyers, founding father of Hungary's economic eforms, describes his country'a dilemma in trying to tie itself closer in with the free market West, while still having to do business with its fellow Communist partners in the Comecon

But Hungary's leaders fear that a co-ordinated Western trade and credit embargo on the East, as foreshadowed at recent Versailles summit, id conceivably sink the system they have wrought in Hungary, on and off, for tha past 14 years.

The risk is not so much that without any new loans from the West, Hungary will be unable to pay back old debts. To be sure, Hungary has the highest debt ratio in Eastern Europe. But it also has the most buoyant economy in the region. With loans already from West Euro-pean central hanks this spring. with negotiations in train for a commercial loan from Western banks, and the prospect of horrowing later this year or next year from the International Monetary Fund, which Hungary joined in May, the country stands a good chance of weathering its present credit crunch.

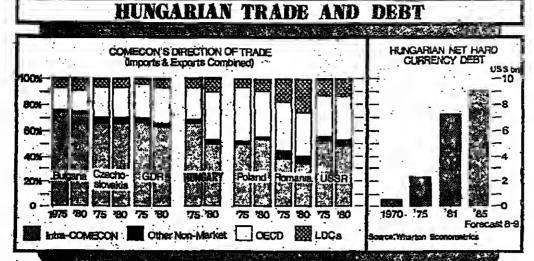
Hungarians take from the wording of the Versailles statement calling for "prudent" but "diversified" Western approach on lending to the East, suggesting to them that Hungary might be mada

an exception.

President Mittervand, for one. has said he will not enlist in any U.S. campaign to wage economic warfare against the East, and Hungarians will be delighted to hear the French leader repeat that, when he

goes to Budspest today.

The broader danger is that, if cold shouldered by the West, a majority of the Eastern communist states might turn further inward to try to take Hungary back into the Comecon stockade with them. Mr Nyers, a central committee member, suggests that Hungary might then come under Comecon political pres-sure to refuse western credit offers, though other officials say Hungary would not bend to this.



prime ministers in Budapest. Mr Nikolai Tikhonov of the Soviet Union noted with apparent satisfaction that last year the proportion of trade commerce, and that this ratio increase Hungarians inwardly groaned. • Terms of trade. Ever since They find growing fault with 1976 Hungary has run a deficit They find growing fault with Comecon because it jars with their own system, now orientated on world prices, bard currency earning exports, decentralisation from ministries currency to individual firms, and private enterprise, if not ownership.

For a Comecon conclave, the Budapest meeting was surprisingly acrimonious. The Czecb and Romanian premiers sharply criticised aspects of Comecon. But it was the Hungarians who had the broadest philosophic critique. The bones which Hungary picks with Comecon

Comecon trading is for members to sign long term bilateral trade agreements between each other, and yearly accords setting precise export and import amounts. The Hungarian complaint is that, for all the use of the "transferable rouble" as a unit of account, there is no multilateral means of settle-ment. Trade surpluses piled up Comecon with one cannot be switched goods from another. The Hungarians have dona.

Government that the rate of

return averages somewhere around 14 or 15 per cent. If

accountants continue to refuse

to accept that historical cost

accounts issued in isolation are misleading, then industry can-

not expect employees and other

Interested sections of the com-

munity to understand the true

level of profitability of their

. No picture in this complex

the present proposal was issued for a trial period of three years

from the experience. To aban-

ings of Y plc are comparable

with those of X plc for the same period, and with Ya own earo-

ings in the previous year. CCA

not only fails to satisfy this need, it does not even aim to

satisfy it. It is not, let us repeat

the point, an inflation account-

We in the accounting profes

sion must give users what they

need. This conceptual and pro-

18. Lee Grove, Chiquell, Essex.

Sir -The Select Committee

week, recommends several pos-

(predictably) on Government

investment, information, and

After reading the evidence

submitted to the Committee I.

drew another conclusion: that the consumer (be he a house-

holder or a mechanical services

engineer) is typically quite

Hia ignorance is just as real a

barrier and must be overcome

before we can make progress.

I have argued elsewhere

(Engineering, June, 1982) that

although sources of informa-tion and advice abound, few

people have sufficient grasp of

right questions. I can give two

trial companies were not dis-

the subject even to ask the

In 1980 the Watt Committee

ignorant of what can be done.

"Energy Conservation

politics of self-regulation.

fessional issue transcends the

employing companies.

accurate for all purpos

be a aerious mistake.

R. Pennock.

ing system.

P. H. A. Kenyon.

Conservation

the Institute of Energy

of energy

publicity.

examples.

At last month's eastern two things to mitigate this. summit" meeting of Comecon First, they are ensuring their exports each · · Comecon partner does not ontrun their imports, keeping surpluses to a minimum. Second, they are demanding dollars where posdone by Comecon members sible. Thus, they ran a \$800m with each other had risen to surplus on hard currency trade 55 per cent of their total with Comecon last year, a very this ratio useful offset to their \$900m further, deficit with the West.

with the Soviet Union, because in common with most of East Europe the prices of the machinery and industrial goods which it ships to the Soviet Union have been rising much more slowly than the prices of the Soviet energy and raw

materials it imports. There is some debate in Hungary and elsewhere tinkering with the so-called Bucharest formula by wblch most Comecon prices follow a five year moving average of world prices, possibly shorten-ing it to an average of the past threa years or even one year. That would speed up adjustment to the world market, but also make Comecon fully prone to world commodity fluctuations, which almost no one in the communist bloc wants. · Lack of specialisation. The

smallest country in the eastern bloc, Hungary bas had no choice but to specialise, dropping, for instance, any pretension to build cars, but developing a nice line in Ikarus bases which it has sold world

If the West were, inadver tently or not to push Hungary further back into the Eastern trading camp, then the government of Mr Janos Kadar would have to try to straighten out these anomalies with Comecon. This might mean sacrificing some of its reforms in foreign trade and at home, where over the past 12 months the Government has tried to give private enterprise more play. The idea is not to increase outright private ownership in commerce and industry, which will prob-ably stay around 2-3 per cent, comparable to the 1.4 per cent of Hungarian agriculutral land which private farmers own out right,

Rather, the aim is to emulate. in the cities, the successful recipe in the countryside co-operatives whereby the state retains overall control while allowing full scope to the atavistic instincts of Hongarians for private work on the aide

Mr Kadar has carried bis 13man politbure on such reforms. But some critics of the reforms member central committee and elsewhere. They include, some state company managers who dislike the idea of private com-petition, some trade unionists who fear unemployment will result, a few unreconstructed Stalinists and a number of what might be called conscientions socialists. The latter group chiefly dislike growing wage differentials, resulting from the fact that around 75 per cent of workforce are drawing vastly differing extra pay from jobs in the "second economy." or private sector.

"We should resolutely reject the appealing notion and easy-going practice of egalitarian-• Centralisation. More than 100 Hungarian companies now have ism." Mr Kadar, sounding almost like a Reaganite, told bis 1980 party congress. "Social the theoretical right to decide what they want to export and import (although they may not justice requires the creation of bigger differences than the existing ones," Those were aiways be able to exercise it because of National Bank controls on investment credit unusual and bold words from a communist leader, which Mr But this managerial freedom Kadar might feel compelled to which contrasts with minleat if the West gave him no support for his incentive-based sterial decision-making in other countries is often economic reforms and if be frustrated because Comecon were forced back into toeing trading really does not allow for the Comecon line fully.

such flexibility. To the irritation of the reformers in Budapest Hungarian ministries still gedrawn into export/import deci-

extraordinary process is under-way in Inverness this week.

with it the Government; to leading the working class in struggle — especially the struggle of steelworkers and rail workers who, like the miners, were under attack; in ensuring that the Labour Party

This programme, ambitious at the best of times appears io the last three years.

> amalgamation of existing constituent associations consistent wilb modern and efficient structure and organisation in the coal fields." This move will be a far reaching one: it is designed to bring the old, local associations — like the Durham and the Northumberland Mech-anics, the Scottish enginemen together with the white collar

the NUM areas.

Britain's miners

# Mr Scargill's new model union

By John Lloyd, Labour Editor

MR ARTHUR SCARGILL, president of the National Union of Mineworkers has set himself and his colleagues in the NUM leadership the most difficult task in contemporary British industrial relations. To achieve it, he must reshape his nnion into a battering ram: and that

On Monday, in a theatre on the banks of the River Ness he told his annual conference that miners should be instrumental in forcing massive investment in new pits while retaining old ones and securing high wage rises; in breaking the employment legislation and with it the Government; lo

followed a true Socialist path and did not expel its Left factions while doing so.

utoplan in face of a self-confident Tory government and a trade union movement has barely won a battle

The resbaping of the union for this Herculean effort is part structural, part political, part psychological.

The first decision taken by the delegates was to empower the Executive to "bring about section, COSA and the power group — into full merger with

But there is more to it than that. These groups still bave considerable power: some bave representation on the Execu-tive, and all bave sufficient autonomy to take their own road at critical moments, as when strikes or other indus-trial action is threatened. Their

Left-led areas, which already make up a majority of the membership.

Mr Scargill says he sees this as a simple matter of efficiency: and indeed the motion came from the Durham area as an attempted antidote to the bad relations between the various groups in the North East, not as a deep laid political scheme. But Mr Trevor Bell, general aecretary of COSA - and the only leader the demoralised Right-wing have — sees it as the start of a year of more of bitterness and law suits as the independent bodies fight against what they see as a tendency to centralise power.

Threats of industrial action are commonplace, so much so that their currency could become devalued

Industrially and politically— the two are inextricably linked the modero NUM-the profile of the union bas been sharply raised since Mr Scargill'a accession to power in April. Threats of industrial action are commonplace, so much so that their currency could become devalued. Resolutioos this week on wagea, protection of earnings and early retirement have all been accompanied by the threat of industrial action if necotiations are deemed unsuccessful.

"The Government and the Coal Board are going to say to the leadership—'you are going to he tested,'" warned Mr Collins yesterday. Earlier Mr Scargill had identified Mrs Thatcher as the only object of his witch-hunt. The old refuctance of Mr. Icon row Lord. tance of Mr Joe—now Lord—Gormley to bave his union used as a political weapon (though it was) has been replaced by an eagerness for battle.

The new president would carry this momentum into the Labour Party as well. He bas opposed the proscription of the Militant Tendency and called for the rigorous pursuit of a root

incorporation will tip the and branch socialist policy. He balance of power towards the will have enough on his plate will have enough on bis plate in his union in the coming months: what time and energy he can spare could be applied to furthering the cause of the Left in the inner-party struggle which seems cortain to con-

tinue. The psychological aspect is as important as the previous two. The decision to move the union's headquarters into a mining area —Sheffield is a favoured venue—was explicitly justified by Mr Scargill on these grounds. It underpinned his desire to create a bond of loyalty between the leadership and the rank and file — the first committed to fight for every conference resolution, the second committed to support every struggle with industrial action. Rock solid unity -the very substance which has proved so elusive to union leaders in the past few years is now the NUM lodestone.

The process requires a figure of contempt, and Lord Gormley provides it. A motion of censure was passed yesterday on Mr Scargill's ennobled predecessor, who had committed two crimes: taking a title and leaving the union after writing an article in the Daily Express advising his members to accept a wage offer which Executive had rejected.

The new leadership, how-ever, cannot discharge its membership when it is recalcitrant: the support of the 250,000 miners has to be won and they have not yet made their mood known. The last ballot on wages went against the Left—but that was under the old management. The new places much store on the effectiveness of leadership and oo militant propaganda; ln this they will be more positive than any other union in the country.

By the end of this week Mr Scargill and bis comrades — chief and most influential among them Mr Micbael McGahey bis vice president will have laid the foundations of their new model union. The troops are marshalled: will they respond to orders from the son of York who would lead them winter of discontent?

#### Letters to the Editor

#### Too soon to abandon SSAP 16

From Sir Roymond Pennock the trade unions and even the Sir,-It has already been reported in your newspaper that special meeting of tha Institute of Chartered Accountants in England and Wales is to take place on July 29 to consider a resolution calling for the withdrawal of Statement of Standard Accounting Practica No. 16 on Current Cost Account-

Throughout my term of office with the Confederation of British Industry, it has been clear that the rate of return of most of British industry, against revalued assets at today's cost, is currently averaging around 2 or 3 per cent. Historical cost accounts based on the value. of assets when they were originally constructed, issued by individual companies, bave unfortunately given a misleading P.O. Box 5, impression to the community. 21, Bloomsbury St., WC1.

#### An imperfect accounting system

From P. H. A. Kenyon. Sir, - Those who write to you about current cost accounting seem to bave three different points of view.

First, those who think hiscost accounta are Or at any rate that their minor shortcomings do not justify the labour of producing CCA accounts. Secondly, those who want in-

flation accounting, who consider CCA to do this. Their view is that SSAP 16's "imperfectinns" will need an experimental period to be identified; they can then be "corrected."

Finally, there are those of us who, with Professor Myddelton. From the Education Officer. believe we need inflation accounting, but inslat that CCA is not inflation accounting. We helieve therefore that CCA is not just an Imperfect inflation accounting standard: it is not one at all. If we are right. then an experimental period will achieve nothing. We want to go back to current purchas-

ing power accounting. Perhaps mir criticism should be expressed in simpler terms. Inflation means changes in the value of money. CCA does not correct for changes in the value

CCA measures profit after making good the (physical) "operating capability" of the husiness. This is quite different from correcting for inflation. If we had a year of nil inflation. but with streamle changes in the prices of commodities like conner or coroa, theo cahle or rhocolate manufacturers would have to make large CCA adjust-

Investors are not interested on Energy reported that indusin profits measured this way.

#### The purpose of it all From Mr Richard Allen

Sir,-The majority of letters which you have published from managers and accountants on the subject of SSAP 16 miss the point. The purpose of published accounts, as opposed to manage ment accounts, is not to belp managers do their job nor to reduce the task of professional accountants. It is to enable shareholders to judge wbether their paid servants — the management — are carrying out be strictly their job adequately in at least maintaining the value of the sharebolders' investment and in earning an acceptable return on the capital employed.

Historic cost accounts bave don the experiment in the proved bopelessly inadequate middle of its operation would for this task and indeed the consistent under-valuation of assets has flattered management performance by seeming to show a rate of return on assets well above that actually being earned. It may be that CCA in whatever form is not want to know whether (inflation-adjusted) earnthe best answer, but it is cer-

tainly an enormous improve ment both on historic cost accounts and on CPP, which bore no relevance to the needs of shareholders.

notably East Germany, insist

on producing a full range of

finished industrial goods, and

foisting them on Comecon

At the Budapest meeting

Comecon reached agreement on

which of its members were to

specialise in the introduction

industrial robots (Hungary got the prime role in the medical

sector. East Germany the

printing aector and so on). This

was a step forward in ao important field. Hungarian

officials would dearly love to

see a division of labour in

semi-finished products and components. But Comecon has

no multinational companies to

organise this, and the country

may soon find it easier to get

specialisation work from Western companies. Unusually for a Comecon country,

Hungary bas legislation allow-

ing joint ventures, of which a few Western companies, such

and foreign exchangel.

Eastern

Siemens, have taken

micro-processors

partuers.

One of your correspondeou raised the subsidiary point that CCA is more appropriate to manufacture than to services and, in particular to retail. In fact, the retail sector has been a prime subject for takeover for many years, stretching back long before fast inflation. A successful takeover is a direct indication that the buyer is better able to recognise asset values than the existing share holder and believes bimself better able to exploit them than the existing management Under-valuation of long-lived assets, such as occurred in the retail industry, breeds complacency in management and ignorance in the shareholder and both attributes are fostered by historic cost accounting. Richard Allen. 20, Copthall Avenue, EC2.

satisfied with the range of training and education available on energy topics. Since then, several courses have been closed for lack of support; and attempts in various quarters to provide training specifically for energy managers bave flopped. At the Institute of Energy we provide information on forthcoming courses, and our experi-ence confirms that there is virtually no interest in fuel and power subjects. Industry's iack of dissatisfaction simply reflects the fact that it has no idea

what it needs.

My other example is the free advice service provided by the Department of Energy for energy matters. They withdrew the service this year. Why? Not just because of the cost: also because of the trivial and naive nature of the questions in Buildings," published last posed by those supposedly in charge of industrial energy sible measures to stimulate conservation. energy saving. It concentrates

There are, however, two pieces of good news with which can conclude, and neither attributable to Government initiatives. One is that the Polytechnic of the South Bank bas started work on directed private study in energy management; the other is that the Iostitute of Energy has, within the past few days, published yet another edition of its Directory of Qualified Energy Consult-

Once we bave learnt something about the subject, and tapped the sources of rellable engineering advice, we should find that even the so-called policy of "price and informa-tion" will start to work. Vilnis Vesma. 18 Devonshire Street,

#### Individual versus

collectivism From Mr A Richards

Sir, - Your correspondent Russell Toben (The collective versus the individual personalityl has overlooked that Six Peter Parker, in bis communication to British Rail employees. did appeal to a collectivist ethic, namely that of the com mon interesi in the future existeoce of Eritish Rail. It is that ethic and interest which needs to be engendered and fostered more these days, and why some form of industrial democracy is imperative.

No doubt some see industrial democracy in political power terras, and as such akin to workers' control. That is, however, to become immersed in "the old mould" of politics. Instead it should be seen, not merely as a means of introducing democratic principles at the workplace, but also as a means of bringing about a commor concern and interest in the longterm viability of the industry or firm concerned. If that were to take place

then individualisation would not rest upon the patronising attitude of line managers treating employees as individuals. Its basis would be a more equitable sense of social justice and not some pragmatic manage ment style which would disappear overnight with changing environmental conditions, or the rise of some new management

35 Cliffefield Road, Sheffield.

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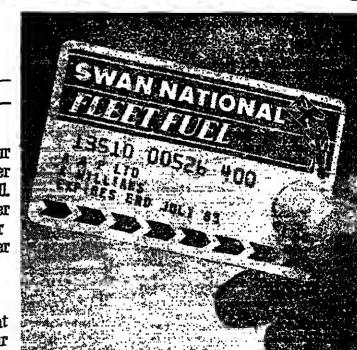
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**SWAN NATIONAL** 





#### Granada warning on profit downturn

HIGHER DEPRECIATION and interest charges bave left taxable profits of Granada Group, television and video equipment rental concern, just behind at £23.88m for the 28 weeks ended April 10 1982, against £24.44m, and Mr Alex Bernstein, chairman, feels these factors may well mean some dacrease in the full-

For the 52 weeks ended Septamber 26 1981, group profits amounted to £48.11m at the pre-

Mr Bernstein sald in his annual statement that 1982 would be a year of investment which would show a return in future years. During the 28 weeks total expenditure on new rental assets for both the UK and nverseas husinesses amounted to £60m (£32m).

Group turnover expanded by £39m to £229.94m.

After tax of £13.69m (£13.51m) first half earnings per shara are sbown as 6.1p, compared with 6.7p, but the Interim dividend is increased to 1.92p (1.75p) net— last year's final distribution was

Depreciation charges totalled £28.57m, against £23.24m, and interest was higher at £3.42m

After tax and minority interests of £83,000 (£162,000), the available balance was £10.11m, compared with £10.77m. Turnover of 67.75 per cent owned subsidiary Barranquilla Investments was unchanged at £1.45m for the first half, but pretax profits fell from £1.1m to £733,000. Tax charge was £456,000

Modernisation work at the Finsbury Square property was completed last April and a tenant is heing sought. Two further properties, Prince Consort House at Albert Embankment and Longbow House in the City, are in the market for re-letting, subject to refurbishment completion. -

Directors say results reflect this situation and for the year as a whole the rate of profit decrease is likely to be similar.

SPAIN

# IC Gas advances 23% to top £40m mark

TAXABLE PROFITS of Imperial Continental Gas Association, the holding company with interests in the fuel and power industrics, £3.03m to £1.01m, were this time have increased by 23 per cent in respect of relocation costs from £33.47m to £41.18m for the incurred by a CompAir subyear ended March 31, 1982. Turn-over was ahead by £50.18m to £453.14m, a rise of 12.5 per cent.

At halftime, pre-tax profits of change in depreciation rates for £1.1m [£0.94m] were reported, LPG lanks and computer equiphut the directors said the figures ment. This increased 1980-81 provided little guidance coocerning the outcome of the year.

In the year under review, the

Stated yearly estnings per £1 sbare advanced from 18.82p to 22.19p, while the dividend total is stepped up by 15 per cent from 8p to 9.2p net with a final of 6.2p (5.3p).

The directors say that actions initiated in the previous year enabled the group to operata on a more profitable basis. An adverse feature of the year however, was the weakening of the Belgian franc, which reduced

Trading profts rose by £5.57m to £35.63m. Associates contributions slipped from £11.99m to £11.65m, but net interest payable fell to £12.61m (£14.95m) and

while minorities took £2.94m (added £7,000). Extraordinary debts, which decreased from

sidlary overseas.
The previous year's results bave been restated to reflect a

group henefiled from 6 slight lowering of interest rates and, following the Finance Act 1981, hy the capitalisation of £4.55m of interest in respect of the Maureen oil field development. Comparable interest of £1.96m was charged last year against pre-tax profits.

In addition, agreement was reached with the British Gas Corporation for an increase in the price of gas from the Hewett 6elds, effective from October 1.

The Calor Group turnover for the year increased by 15 per cent in £260.8m and taxable profits rose to £16.39m, compared fell to £12.61m (£14.95m) and investment income was bigher at £6.5m (£6.35m).

At the attributable level. profits were up by £4.37m to £28.63m.

Tax cbarge was £8.6m (£6.19m).

#### HIGHLIGHTS

Lex briefly looks at the money supply figures where sterling 313 has risen by three quarters of a point, much in line with expectations. Granada's profits have slipped hack from £24.4m to £23.9m due to heavy spending on video equipment and associated depreciation charges plus a dull outturn from bingo and property. Tootal has pulled out of its planned saie of its Australian subsidiary because of opposition from the Australian stock exchange authorities. Lex goes on to assess the impact on Tootal before considering the report and accounts from Finance for Industry and the continuing debate on current cost accounting.

and the results reflect a progressive improvement io levels of productivity aided by the fevourable impact on LPG sales of two short spells of very cold weather in the UK.

Turnover of the CompAir Group rose by 9.3 per cent to £172.6 and pre-tax profits climbed from £3.2m to £6.31m.

climbed from £3.2m to £6.31m.
Improved results stemmed primarily from greater profitability by the UK companies supported by a good performance in Africa and Australasia.

Century Power and Light raised turnover from £2.49m to £5.49m and made a profit of £2.48m (£1.64m loss) which included exceptional income of

Hewett gas price.
Turoover in Belgium fell by 9,3 per cent to £14.17m. The group's share of associates profits arises principally from its investment in Belgian public utilities through Antwerpse Gasmaatschapij and UNERG.
In current cost terms, IC Gasmade operats profits of £27.91m made ore-tax pro6ts of £27.91m (£20.07m) and earnings per share were 12.08p (8.52p). comment

Imperial Continental Gas Association's pre-tax notturn of £41.2m, an increase of 23 per cent, was at the very top end of market expectations, but an

exceptional factor and a change in accounting policy must take some of the credit. A substantial -the amount is not disclosed— price increase in gas from the Hewett fields, which reached peak production in the second half, was backdated to October 1980. Interest charges of £4.545m related to development of the Maureen field were capitalised, while the previous year's figure of £2m was charged against profit. Maureen will come on stream by the end of come on stream by the end of next year, but in the case of T block and Andrew, the puker game with the Government continues. IC Gas has not denied that the £63m CompAir ecquisition was ill-timed and is now relieved to report that CompAir hroke even net nf financing costs. A consistent policy of stocking up for an "average " wioter prevented more than a 5 per cent increase in gas tomage sold by £1.28m from the Increase in increase in gas tonnage sold by Calor with most of the 13 per cent profits advance coming from

productivity improvements. Growth from the investment in Belgian public utilities can only be in line with the growth of the economy, and February's 2g per cont franc develuction deep not cent franc devaluation does not make life—in sterling terms— any easier. Up 7p at 183p, the sbares yield 7A per cent on the increased dividend.

# Intasun above forecast at £14m

gomparked with a foresst of not less than £13m, taxable profits of Intasun Leisure Group, holiday tour operator and charter airline, were £14.08m for tha year ended March 31 1982, against a previous £10.26m. Turnover profits of Infasur Leisure Group, holiday tour operator and charter airline, were fil408m for the year ended March 31 1982, against a previous fi0.26m. Turnover expanded from fil01.65m to fil14.12m.

At the interim stage profits

The following companies have notified dates of board meanings on the Stock fixthere, and the substitution of final and the substitutions are not divisions above below are based mainly on last yesr's timetable. £114.12m.

At the interim stage profits had surged to £15.13m, compared with £10.24m, but the directors said they expected a loss in the second half.

loss in the second half.

They now consider it too early to make a firm forecast for the current year, but they would he disappointed if pre-tax profits did not reach a similar level to those of 1981/82.

Stated yearly earnings per 10p share of this USM quoted company were up from 14.6p to 19.6p and a final distribution of 2.1p net lifts the total dividend

company were up from 14.6p to 19.6p and a final distribution of 2.1p net lifts the total dividend to 3.5p. This is compared with 2.8p which would bave been recommended had the share capital been held publicly.

Pre-tax figure was split between tour operating and airline as to £8.7m (£7.4m) and £5.4m (£2.9m) respectively. Intasun Holidays carried 468.000 passengers in the year, a rise of 12 per cent, while Air Europe increased their passengers by 41 per cent to 995.000.

Intasun Holidays has taken 385.000 bookings so far for the summer 1982 aeason, an increase of 13 per cent, while an additional 36.000 have been taken by Cloh 18-30 and the newly-formed seat selling company, Air Europe Travel.

Clnb 18-30 is the main trading subsidiary of D. M. Lancaster, acquired by Intasun last May for some £4.4m, and directors intend to expand "this profitable operation significantly from summer 1983 onwards."

Air Europe bas sold all available summer capacity for the increased fieet of nine Boeing 737-200 aircraft.—with two leased from Air. Florida—com-

737-200 aircraft with two leased from Air. Florida—com-pared with seven in summer

Tha group has agreed with British Airways to acquire two 757 aircraft from Boeing for some £40m. One is to be delivered in March 1983, with the option to sell to BA in Spring 1987, and one in March 1984. It is intended that the aircraft will be financed in sterling over 10 to 12 years. Interest and financing charges, payable under aircraft finance and lease agreements, are charged to the P and L account

**BOARD MEETINGS** 

TODAY
Finals:—Hollss, Sogomans, Technology Investment Trust, John Waddington

FUTURE DATES

have been £12.7m (£8.2m).
Tax charge took £3.94m (£2.71m) and after extraordinary debits of £179,000 for 1980.81, as well as pre-acquisition profits of £3.03m for that year, the avail-able balance came through at £10.14m; compared with £4.35m. Dividends will absorb £1.81m (nil) leaving £8.33m (£4.35m)

retained.

Pre-tax profits on a current cost basis are reduced to E13.71m Application has been made for Application has need made for the issued share capital to be admitted to the Stock Exchange Official List. Dealings are expected to commence on July 12.

comment

Intasua Leisure easily placed 10 per cent of its equity yesterday as a preliminary move to its full Stock Exchange listing next week. The 37.2 per cent rise in pre-tax profits is due mainly to an improvement in Air Europe. Increased passengers more than offset a decline in margins, which anyway should improve with the Laker collapse ending the main downward pressure on prices. Intasun's accounting method of equalising aircraft financing charges has boosted pre-tax profit levels. The £40m leasing agreement with British Airways to be financial in a similar way. to be financed in a similar way not only adds capacity and flexibility to AE but postpones the day when profits are depressed by this method. Intasun has switched business back to the Mediterranean and away from tha United States. Soft currencies have boosted ex-change profits to about £1.5m and the rompany's £37m cash mountain at the bank continues to grow, bringing in another £1.5m interest contribution. Growth options centre on buildin such 6 way as to spread them ing up specialist youth and old evenly over the periods of the age travel companies and derelevant agreements. The directions point out that had these business into Scotland. The costs been charged as incurred, shares fell 1p to close at 123p, pre-tax figure for the year would

# Larger bad debt provisions leave FFI £3m lower

LARGER BAD debt provisions against 31.7p in 1980-81 due to during "a most difficult period a distorted tax charge. for British industry" have contributed to the first reduction while, to increase FFT's borrowin pre-tax profits for five years at Finance for Industry.

FFI, which is owned by the English and Scottish clearing banks, was established in 1973, though the Industrial and Commercial Finance Corporation, its best known subsidiary and a provider of specialist long term finance, was set up in 1945.

Lord Caldecote, FFI chairman, announcing the results for the year to March 31 1982, reported that pre-tax profits bad fallen

while, to increase FFTs borrow-ing powers and enlarge its per-manent capital by a £15m rights issue. Lending to larger com-panies is expected to rise "as we move out of recession," Lord Caldecote said.

Provisions against bad debts amounted to £18.6m (£16.4m), taking the combined total of specific and general provisions in respect of loan and sbare invest-ments to £86m. Capital profits less losses on realisations, came to £20.4m, against £18.4m.

from £31m to £28.2m over the Lord Calderote said the year period. Profits before interest nn which be was reporting bad were £133.3m (£131.3m) while heen one of the most difficult earnings came out at 19.fip, for British industry for many

for example, 153 customers failed, compared with 114 in the previous year.
Total new FFI investment for the year was £264m, almost the same as in the previous 12

months.

ICFC, meanwhile provided £110m in the form of shares, loans and guarantees to 1,040 small companies. Some 440 businesses trading for less than three years had been financed, including 305 which were new.

Over the period ICFC financed

those whose business was concentrated heavily overseas or in some areas of high technology, had come through unscathed that "there have been many casualties."

Out of ICFC's total portfolio. for example, 153 customers failed compared with 144 in the underlying business in necessions and management buy-outs, compared with 69 in the previous the business information company and Trade Indemnity, the credit insurance underwriter. Lord Caldecote and the rate of increase in liquidations in FFT's experience was "levalling out."

That is nothing disastrous the previous the business information company and Trade Indemnity, the credit insurance underwriter. Lord Caldecote and the rate of increase in liquidations in FFT's experience was "levalling out."

There is nothing disastrous. The groon's large company thorough understanding of the underlying business is necessary before entering into financial arrangements which hy their nature create high gearing levels where the management often has no experience.

ment often bas no experience of operating independently.

"In the early days about 90 per cent of the management buy-outs put to us were good enough to finance; now it is more like 50 per rent."

Asked ahont the sharp rise in husiness fallures reported on

The group's large company business will in future be channelled through FFI rather than Finance Corporation for

Industry.

Lord Caldecote said FCTs development has been hindered by not being able to "shake off the mantle of lender of last resort" so it has been decided to drop the name.

New business continues at a "satisfactory" level.

See Lex

#### Marston Thompson ahead Receivers called in at Grimshawe TURNOVER OF brewer and wine regarded as reasonably satis-

and spirit merchant, Marston, factory when viewed against the Thompson & Evershed, rose from 533.23m to £38.92m for the year to March 31 1982 and pre-tax dividend total is stepped up to profits increased from £5.15m to £0.09m. At balfway, taxable figures were ahead at £3.25m,

Taxable profits were struck against £2.61m,

Although total beer sales

Taxable profits were struck after depreciation of £1.39m (£1.22m) and £124.000 (£95,000) during the year were down by for the share ownership scheme, less than 1 per coot, sales of the Tax charge was up from £2.06m

company's own heers were up. to £2.56m and there were extra-Sales during the current year are being maintained, which is (£383,000).

It might be possible to ensure management buy-out. Since then that as many jobs as possible the group announced losses for were preserved, and that the the six months ending October continuing businesses of the 1981 of £264,000 before tax. comwould pass into other pared with losses of £74,195.

DIRECTORS of Grimshawe Holdings, the diversified industrial group, yesterday announced that they bad requested their bankers to appoint receivers to the company.

The board said that the decision to appoint receivers bad been made in the best interests of the operating subsidiaries of the group. It was expected that these businesses would be sold the sold street of the prospection of the sold street of the so

In this way, said the board, equipment manufacturer, in a shares.

# **Nordic** Angle Nordic Holdings, the

industrial bolding group, expects trading in its sbares to start on the Unlisted Stock Market on Monday, following its reverse take-over of Anglo-Argentine Tramways (AAT).

AAT bas agreed to change its has become ANH (Hemel Hempstead).

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131	100	Ass. Brit. Ind. CULS...	131	+ 1	10.0	7.8	-			
75	82	Alraprung Group	71	6.1	8.6	8.1	13.9			
133	Armitaga & Rhodes.....	43	-	4.3	10.0	3.5	8.1			
127	187	Bardon Hill	227	-	11.4	6.0	9.6	12.0		
110	100	CCL	11pc Conv. Pref...	110	-		15.7	14.3	-	
128	240	Cindleo Group	285	-	28.4	10.0	10.7	12.0		
104	80	Geborah Services	60	-		6.0	10.0	3.0	6.6	
129	120	120	120	120	120	120	120	120		
120	120	120	120	120	120	120	120	120	120	120

# Turnover Increased by £185.6M to £2102.0M

Net Profit Up By £7.1M to a Record £42.7M

Final Dividend Increase 22.58%

53 weeks to the 28th February 1961 £ Millions Tumover including V.A.T. 2102.0 1916.4 (107.6)(95.7) 71.5 15.7 Profit Before Interest and Depreciation Interest Payable less Receivable 24.5 42.7 12.0 30.7 24.0 20.2 35.6 5.5 30.1 20.0 Depreciation
Net Profit Before Tax Taxation Nat Profit After Tax Surplus nn Sale of Properties Retained 41.6

#### TRADING REVIEW

Final Dividend

Gross Equivalent

Earnings Per Share

Net profit has increased by the equivalent of 22.22% to a record £42.7M. Action continues to be taken in bring about enhancement of the Group's trading profile. This has resulted in an improved store image, logether with expansion of range and quality of fresh foods and own label goods. It has in turn assisted the launch of Checkout 82 which has been well received with turnover forecasts being

FINANCE Interest payable less receivable has reduced by £6.9M to £3.8M for the year. This reduction has been echieved by e considerably lower level of borrowings than the preceding year as well as a

Funds totalling £46M were generated by the sale of investment properties and property surplus to requirements together with the proceeds of sale and leaseback transactions. The sales realised a surplus of \$24M over book values. ELECTRONIC POINT OF SALE (E.P.O.S.)

The first installation at Edmonton Green went live on 25th January. The existing programme of installation in a further fourteen stores will be completed by the end of the current financial year. Revenue costs of \$3.5M have been written off in full against pre-tax profits compared with SO.5M in

#### STORE DEVELOPMENT PROGRAMME

Sixteen new stores were apened during the year, including two in Ireland which together with five major extensions added 532,000 sq.ft. to curtotal selling area. Twenty six smaller stores

were closed accounting for 169,000 sq.ft. The development programme for 1982-83 includes sixteen new stores together with two extensions and is estimated to add approximately

1.550

22143p

9.04p

1.90p 2.7143p

589,000 sq.ft, to selling area. **CURRENT COST ACCOUNTS** A statement of the year's results, adjusted to current cost accounts basis, together with figures for the preceding year are set out below:-

Profit Before Interest and Taxation per historic cost accounts 51.5 51.3 Current Cost Operating Adjustments 5.7 6.9 **Current Cost Operating Profit** Gearing and Net Interest Paid Current Cost Profit Before 7.9 14.6 37.9 29.8 Taxation

DIVIDEND

The Board proposes the payment of a final dividend not 1.90p per share, which together with the interim dividend declared will amount to the payment of 6 total dividend for the year of 3.00p per share (including imputed tax credit at 30%) being equivalent to a gross amount of 4.2657 piper share. The final dividend will be paid to sharehalders an the register of members at the close of business on the 8lh day of July 1982 and will be paid on the 6th day of August 1982.

**ANNUAL GENERAL MEETING** The annual general meeting of the Company will be held at the Lancaster Room. The Savoy Hotel, London on the 30th July 1982.

Copies of the Annual Report and Acrounts available from the Secretary, Tesco Stores (Holefings) FLC, Tesco House, Delamare Road, Cheshum, Waltham Cross, Herts, ENd 9SL.

#### Tesco Stores (Holdings) PLC

# **Guinness Peat shares** recover some lost ground

SHARES in Gninness Peat, the ing to a California tyre busines roubled commodities to banking —Performance Tire, Guinness group which last Friday announced a £15m loss provision, resterday recovered some lost ground, increasing by 4p to

close at 47p.

The shares were suspended at 57p last Thursday moroing at the group's request and resumed trading on Monday moroing at 10.13. The shares fell by 25 per cent on Monday to close at 43p; this knocked nearly 110m off the company's market capitalisation. At last night's closing price of 47p Guinness Pear is valoed at 131m, still below its presupersion value. below its pre-suspension value

The group asked the Stock Exchange to suspend its listing last week ahead of its announcezen: of the £1am provision relat-

-Performance Tire Guinness Peat has encountered difficulties recovering the money from Performance Tire, which had imported tyres into the U.S. and had been financed by a Guinness Peat UK subsidiary.

The shares recovered vesterday partly because the mark-down may have been overdone on Monday and parily because the group has confirmed it is selling control of its commodity business to a group of managers and investors led by Lord Rissin, the life president.

The commodity deal involves 16m of cash plus 13m of redecmable preference sbares which will be held by Guinness Peat. Total value of the deal is worth between £11m and £12m.

#### Incheape sells shareholding

Straits Steamship Company has reached agreement to acquire inchcape Berhad's shareholdings in the Oil (Asia) group of companies for a cash consideration of \$812.5m (£0.36m). Oil (Asia) provides support ressels and services to the off-

shore nilfield industry to South East Asia, Straits Steamship is 58

#### Yearlings ₹% lower

The loterest rate for this week's isue of local authority honds is 12: per cent. down three-eighths of a percentage point from last week and compares with 13, per cent a year ago. The bonds are issued at par and are redeemable on July 13 1983.

per cert awned by Ocean Trans A full list of isues will be pub-port and Trading of Liverpool. lished in lomorrow's edition.

#### DIVIDENDS ANNOUNCED

	Current payment		Corre- Mading div.	Total for year	Totai last year
Equity Consort ord	6.39	Aug fi	6.3	9.54	9.28
Equity Coosort defd	10.68	Aug 6	10.15	10.68	10.15
Granada ini	1.92	Oct 1	1.75	_	4.8
IC Gas	6.2	Aug 20	5.3	9.2	8
10;25UD\$		Aug 27		3.5	_
Ilonald Macpherson 10:	1.5	Sepi 1	1.5		4.2
Marston Thompson	1:17	•	1.18	2.07	1.8
Reamore	6 53	Oct 5	0.5	1 03	1
R. W. Toothill	35		3.5	6.5	3.5
R Kelvin Watson		_	٠,٠	3.5	33

Dividends shown peace per share not except where otherwise stated. \*Equivalent after allowing for scrip issue. + On capital extressed by rights and/or acquisition issues. #USM Stock.

# **USM** start for Anglo

Anglo-Nordic announced yesthese businesses would be sold these businesses would be sold the receivers as going concerns.

group's par value.

Last October Grimsbawe sold its biggest subsidiary, J. Manger ecceptances of its partial offer hy holders of 13m ordinary

Subject to the offer by AAT to acquire Anglo Nordle's engi-neering subsidiary Doverford becoming unconditional, Anglo Nordic will acquire hetween 6.56m and 9.34m AAT ordinary shares, equivalent to 62.1 and 70 per cent respectively of the enlarged share capital.

name to Anglo Nordic Holdings while the original Anglo Nordic

# Prices cow evailable en Prestel page 48146. Machine Tools - Engineering Products - Materials Handling - Serap Processing

In his Statement on the 1982 Accounts, Sir Jack Wellings, CBE, referring to home and overseas trading, said:

Our overseas companies again achieved record results but the continuing low . demand in the home market throughout the year made it certain that our profits would not improve on the low level of last year.

We expect to maintain a substantial volume of overseas business but without a sound base of home sales we cannot reach an acceptable level of profits. Our worldwide merchanting and distribution organisation continues to prosper and, to add to our range, we are constantly searching for new engineering products other than those we manufacture.

We are optimistic for the future and, as soon as there is an improvement in the economic climate in the UK, we are confident of a return to profits which more truly reflect the potential of the Group.

Salient figures to 31st March, 1982

Sales UK Exports included Profit before Tax

53,674 4,455 Ordinary Stock Dividend per Unit



ESTABLISHED 1834

market prices.

THE NEW THROGMORTON

A copy of the Report and Accounts for the year to 31st March, 1982 can be obtained from The Secretary, The 600 Group PLC, Wood Lane, London W12 7RL

TRUST PLC. Capital Loan Stock Yakıation 6 July 1982 The Net Asset Value of £1 of Capital Loan Stock is 291.88p calculated no Formula 1. Securities valued at

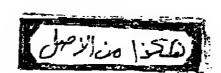
THE TRING HALL USM INDEX 125.0 (+0.5) Close of business 6/7/82 Tel: 01-638 1591 BASE DATE 10/11/49 100

LADBROKE INDEX Close 550-555 (+6)

年 2000年 200

£000's

143,635



Financial Times Wednesday July 7 1982

# We continue to seek opportunities for further expansion?

Extracts from the statement by Gerald M Ronson, Chairman of Heron Corporation.

A year of progress

Once more we have had a year of progress and I am pleased to be able to report increases in both profits and shareholders funds.

Pre-tax profits for the year increased by 15% to £15.5 million and shareholders' funds increased by 40% to £186 million. The increase in shareholders' funds includes an amount of some £36.5 million arising from the valuation on completion during the year of several property projects.

Consolidation of Trading Companies

We continue to consolidate the management of our trading companies under Heron Trading Corporation. Since the year end we have acquired the outstanding minority interest in Heron Motor Group and have combined the management team with that of Heron Suzuki. In addition, we have combined the management teams of Heron Service Stations and Ingersoll This consolidation enables us to maximise the use of our highly professional management. The strength created by the diversity of activities in Heron rading Corporation has again proved itself.

# Major city centre scheme opened

TOOK!

145,035

53,674

4.455

5,250

The opening of St Davids Centre, Cardiff, one of the United Kingdom's major covered shopping precincts, was the highlight of Heron Property Corporation's year. The surpluses arising on the valuation on completion of this project and the new Department of Health and Social Security computer centre at Reading, contributed substantially to our increased net worth. We have several major office schemes under way which will provide further growth over the next 2-3 years.

# Record profits from insurance

The National Insurance and Guarantee Corporation again produced record profits. Although growth in premium income was lower than in the previous year, our policy of only growing where we can see profitable business proved to be right, with our motor account producing an underwriting profit for the year Unfortunately, our non-motor underwriting was affected by the civil disturbances of last summer and the extremely bad weather conditions in December.

# Strengthened senior management

We have strengthened our main board by the addition of four new directors. With one exception these appointments

PROFITS INCREASED TO £15.5 MILLION

SHAREHOLDERS' FUNDS INCREASED TO £186 MILLION

AVAILABLE FINANCIAL RESOURCES £100 MILLION

were made from within our own organisation and this is a reflection on the group's policy of cultivating management in depth.

#### Major refinancing

The constant strengthening of our financial position has been reflected by the continued support of our bankers. In the year under review, we concluded two major financings, a £75 million, 10 year unsecured syndicated loan facility, led by Barclays Merchant Bank and a \$50 million, 5 year unsecured syndicated loan, led by Hill Samuel and Credit Lyonnais. Both syndicates comprise some of the world's leading banks and we are proud of the

FIVE YEAR FINANCIAL HISTORY Year and all at Morth.							
Figures in £000	1982	1981	1980	1979	1978		
TURNOVER	322,000	302,686	315,422	-294,753	265,522		
PROFIT BEFORE TAXATION	15,496	13,433	10,792	. 8,227 :	6,521		
SHAREHOLDERS 186,359 133,268 79,915 70,207 60,483 FUNDS							

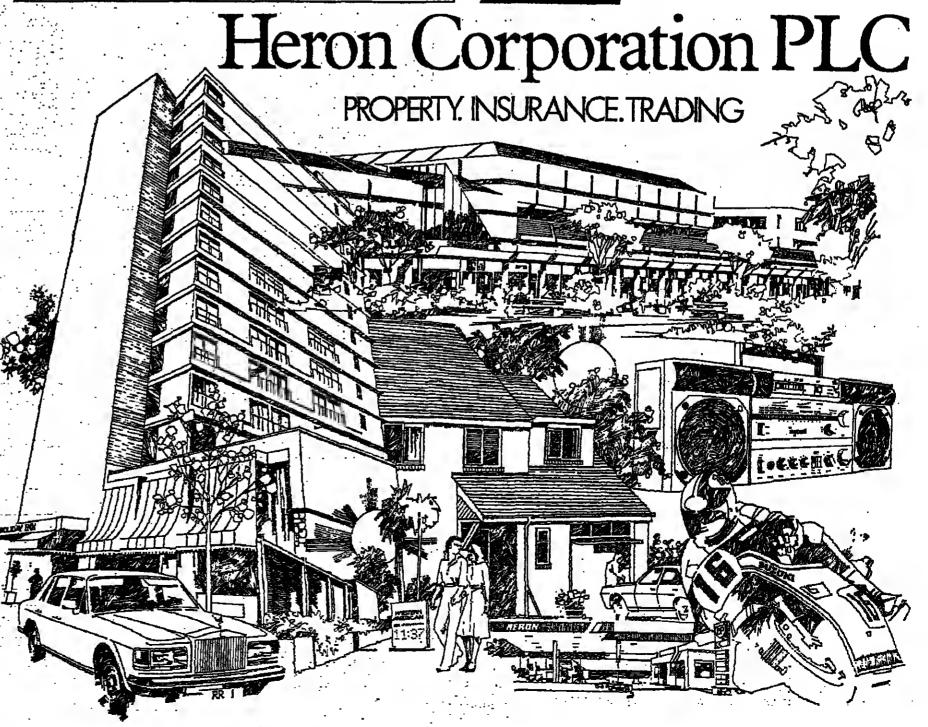
confidence they have shown in us. At 31 March, 1982 we had total available financial resources, either in cash or in undrawn bank lines, in excess of £100 million.

# Substantial acquisition

As a result of our available management and financial resources, we are now in a position where we are able to make a substantial acquisition. Our ratio of interest bearing debt to shareholders' funds has reduced substantially over the past few years and at the year end after taking into account a cash balance of £27 million, stood at 58% giving us much more room for expansion. Our £49.4 million bid for Associated Communications Corporation was unsuccessful but we continue actively to look for further opportunities.



Copies of the Report and Accounts are available from The Secretary, Heron Corporation PLC, Heron House, 19 Marylebone Road, London NW1 5JL.



LONDON TRADED OPTIONS July 6 Total Contracts 2898 Calls 2348 Puts 550

#### THE LONDON LIFE ADDITIONAL **VOLUNTARY CONTRIBUTIONS PLAN**

Even the best occupational pension schemes leave room for individual members to improve their benefits by additional voluntary contributions—but finding an AVC Plan which achieves this without costing a fortune in administration is not always easy.

That's what makes London Life's AVC Plan special-we offer highly efficient administration, and there is no need to adjust the strategy of your existing scheme. The Plan—which is especially suitable for late entrants seeking to improve their retirement benefits-takes maximum advantage of Inland Revenue concessions and provides tax-free benefits

Another important feature is that the Plan can be used as a valuable fringe benefit for directors, executives and other key staff-providing a significant recruitment incentive as well as an overall improvement in conditions of employment.

When you choose an AVC Plan from London Life you have all the security and confidence of knowing that it comes from one of the first UK life offices to enter the pensions field, and is backed by one of the most impressive investment track records in the industry. What's more, London Life never paysa penny in commission to intermediaries or even to its own staff-so employees can be certain that all their money is invested for their benefit.

If you would like to find out more about London. Life's AVC Planfill in and return the coupon below.

	4 100 100
To: John Lowe, The London Life Association Freepost, 100 Temple Street, Bristol BS1 6Y	nLid, J.
Please send medetails of London Life's AVC	Plan.
Name	
Company	
Address	
	930
(If you prefer, you can call John Lowe on Free to discuss your requirements personally)	fone9161.
A better value pension plan from a different kind of company	London Life

This advertisement is issued in compliance with the requirements of The Stock Exchange,

of Intasun Leisure Group plc.

intasun leisure group

(Incorporated in England under the Companies Acts 1948 to 1981)

**Share Capital** 

Ordinary Shares of 10p each

Application has been made to the Council of The Stock

Leisure Group plc to be admitted to the Official List. It is expected that dealings will commence on 12th July, 1982.

Particulars relating to Intasun Leisure Group plc are available through Extel Statistical Services Limited and may be obtained

during usual business hours on any weekday (Saturdays excepted) up to and including 26th July, 1982 from:

**Barclays Merchant Bank Limited** 

15/16 Gracechurch Street, London EC3V 0BA.

Exchange for the whole of the issued sbare capital of Intasun

#### **BIDS AND DEALS** Gompanies and Markets MINING NEWS

# Tax saving lifts gold mine net profits

BY GEORGE MILLING-STANLEY

A SHARP reduction in the pro- gold operations were 1.3 per cent vision for tax and the state's down at R237m, share of profits in the latest quarier gave rise to on increaso of 37 per cent in overall profits of the South African gold mines in the Consolidated Gold Fleids

group.

Net profits for the three months to June 30 were R182m (£91m), against R133m for the first quarter of the year.

The lower government offtake came ahout mainly because of a fall of R38m in the aggregate amount payable hy Driefontein Consolidated following tast year's merger between the East and West Driefontoin mines.

Gold Fields warned, however, that the nct tax saving is still subject to the scrutiny of the Government Mining Engineer, and may have to he adjusted.
Once again, the continued fall in the rand/dollar exchange rate helped to offset the decline in the huliloo price, with the result that the price received in rands

ny the individual mines was only slightly lower than in the previous three months.

Nevertheless, this lower price, combined with an overall 2.8 percent rise in working costs, was enough to offset the benefits of

917 917 917 3,888 2,684 4,291 12,450 11,156 15,395 2,798 76,485 81,828 Venterspost ...... 10,573 (1,190 12,880 Venterspost ...... 12,878 13,170 13,579 Vieldontein ...... Visikortein ..... 12.678 13.170 13.5%
Visikortein ..... 404 487 489
† includes state essistance.
There were one or two
encouraging features of the

reports from the individual mines, notably the young Deelkraal. This operation has had more than its share of problems since start-up, but turned in higher profits this time as increased mill mut combined with a rise

in the gold grade to cut working

costs.

By contrast, the marginal Venterspost continues to give cause for concern. This mine managed to hoost gold output hy mining slightly higher grade ore, hut net profits were lower following a sharp reduction in the amount of state aid received.

Assistance under the scheme was cut to R141,000 from R1.01m last time.

Gold Fields rose 13p to 357p in London yesterday in advance of the publication of the reports, hut this had more to do with an increase in the total tonnage the generally firmer tone of the milled and a marginal rise in sector than with any optimism gold grades. Thus profits from over the results.

#### BCR to concentrate on drilling in U.S.

CANADA'S British Canadian doned Only one of these wells is Resources (BCR), the drilling located in Canada. fund launched in November BCR says that despite recent 1980, reports net earnings for the quarter ended March 31 of C\$481,392 (£216,501), including foreign exchange gains of \$395,530. Net earnings from operations come out at \$85,862. or 3 cents a share. Figures for the first quarter of 1981 were not produced, although the fullyear produced net earnings of C\$1.21m.

gas during the period totalled \$583,170 while interest of \$345,854 hrought gross income to \$929,024. Expenses took \$748,162 and deferred income taxes \$95,000. Retained earnings at the beginning of the period were

As at March 31 the company had no debt, and working capital of \$9.61m, of which o substantial portion has been committed to company's exploration programmes.

During the quarter BCR parti-cipated in 47 wells. Of these 37 were either drilling, testing or owaiting completion, two were gas discoveries and eight aban-

Issued and

**Fully Paid** 

5,163,700

BCR says that despite recent significant tax changes made hy the Alberta Government and the Federal Government to revitalise the oil and gas industry in Canada, the company does not plan to increase its activities at this time, but will concentrate its efforts in the U.S. where it expects to participate in approximately 70 wells this

#### Oil and gas. move for Poseidon

THE AUSTRALIAN gold producer Poseldon is moving into oil and gas exploration in the Surat Basin of New South Wales. Surat Basin of New South Wales.
Poseidon is acquiring o 15 per cent interest in Authority to Prospect 309P in the western section of the Surat. The other participants in ATP 309P are Oakwood International Pefroleum, Patrick Petroleum, Ampol Exploration and Balmoral Resources. Resources.

The company is also acquiring 10 per cent interest in etroleum Exploration Licence 182 in the southern Surat where other participants comprise Oil Company of Australia, Volley FOUR SENIOR executives of the in the huy out are Mr Ron

#### Confidence at Pauls & Whites .....

Uocertainties relating to the Nigerian economy and the depressed brewing and distilling conditions in the UK, will make It difficult to maintain the relatively high rate of growth achieved last year, Mr M. G. Falcon, chairman of Pauls & Whites, tells members.

"Nevertheless the directora have every ronfidence that the results will continue to improve," he adds. . . As siready known, pre-tax

profits of this brewing and agricultural concern moved agricultural concern moved ahead by 25 per cent to £10.76m for the year ended March 31 1982, sales improved by 12 per cent to £271m and exports rose from £16.42m to £26.1m, a 59 per

On the malting side, further penetration of overseas markets led to increased exports to offset reduced demand from UK brewers and distillers, while the agriculture sector gained an increased share of the animal feed market.

feed market.

The concentration of production facilities for food flavours has enhanced the group's position in this industry, the chairman says, and the performance of all overseas operations improved

# Bemrose to lift dividend 150%

bocked up its rejection of Bunzi's should have a strong positive £16.1m bid with o forecast of casb flow. On the anticipated much higher dividends and level of pre-tax profits the divi-

Bemrose, which is engaged in security printing and packaging, said it expected pre-tax profits would he in the region of £3m, compared with £2.37m last year, It while its dividend would be raised to 10p from 4p.

At the post-tax level it expected profits would be "in the region of £2.5m against £2.17m last

time.
"The overall performance of the group in the first five months In spite of fierce competition Bemrose's borrowing position by and depressed market conditions," it said in its accordance of the said in its accordance of tions," it said in its appeal to sharebolders.

While stressing that forecast-ing was difficult at this stage of the year, Bemrose said security printing had made a vigorous start while packaging had im-proved on the comparable 1981 period. Despite the severe recession in world transfer printing markets it foresay some recovery in its sales in this area.

Despite the proposed 150 per cent of the ordinary equity.

Bemrose Corporation yesterday cent dividend increase the group hy attributable historic cost earnings. At a share price of 140p

vield of 10.2 per cent. Charging that "Bunzi has got It wrong" Bemrose said dividend cuts in 1979 and 1980 were ponsibte given tower earnings. advance payments from custo-mers with additional payments and was £2m out in calculating cash flow, Bemrose claimed. It alleged that Bunzl had

Bunzi was still dependent on cigarette filters for much of its profits while overlapping pack-aging activities, advanced by Bunzl as a reason for the deal, accounted only for a small part of turnover, Bemrose said.

Bunzl increased its bld hy
£2.31m on June 3 0to £16.12m after its original offer secured acceptances from only 0.8 per

# Sunlight backs up its bid for Johnson

solidated pre-tax profit of the group in its present form would group in its present form would Johnson's main activity is dry-rise 25 per cent to "not less cleaning, though it also has than £2.7m" while it is proposing workwear and towel rental and a 20 per cent dividend rise to

In 1982 it mada a pre-tax profit of £2.16m and paid a dividend of 3.375p.

Sunlight last week announced an offer of five ordinary shares, 256p nominal of convertible na-secured loan stock and 380p cash for every four Johnson ordinary

In its formal offer document, sent yesterday, Sunlight also denied Johnson's charge that it had made no serious attempt to get Johnson's directors' agreement to the merger and that it had demanded an answer in "o ridiculously short time scale."

"My colleagues tried hard to

obtain your board's agreement but they were told quite clearly at the meeting that Johnson was not for sale," sald Sunlight chairman Mr John Franks. Only when the alternative of some other form of merger was raised did Sunlight ask for a decision in principle by the end of the week,

Sunlight Service Group yester laundry and dry cleaning and day forecast a higher 1982 profit computer and security interests, and dividend to back up its said size and 6 diversified range of activities were increasingly important in the cleaning industry, which was undergoing a particle of retionalisation. dustry, which was undergoing a period of rationalisation.

#### ASSAM FRONTIER CONSIDERS OFFERS

linen hire services.

A subsidiary of Wrengate has acquired from Sime Darby Berhad 232,421 Ordinary shares in Assam Frontier Tea at 312p, and 192,336 preferred stock units at 351p (24.73 per cent and 81.85 per cent respectively). The ordinary and preferred stock units carry rights to 53.29 per

cent of the votes. Caparo Group, which is acting in concert with Wreogate, owns 203,000 Assam Frontier ordinary (21.60 per cent) and 15,250 preferred (6.49 per cent).
Offers will be made hy a com-

pany, owned jointly hy Wrengate and Caparo, for Assam Frontier on the above basis. The board and advisers of

Assam Frontier state that they are considering the offers and expect to contact shareholders shortly. In the meantime they are odvised to retain their bold-Sunlight, which has linen hire, ings and to take no action.

# Plessey offshoot buy-out

Plessey Group bave completed a Clark, a former managing direcmanagement buy-out of the con-sultancy operations of Plessey tor of Plessey's electronic com-ponents division, who will be chairman, Mr Anthony Warren, Assessment Services. The new company is called Reliability finance director and company secretary and Mr Kenneth Fearn-

The establishment of the com-pany will guarantee outside clients' confidentiality, according to Mr Brian Mair, former manag-ing director of Assessment Ser-

vices and managing director of Reliability Consultants. Operating in the defence industry it was difficult at times to convince clients of our inde-pendence," he said.

Reliability declined to reveal

how much it was paying hut sald the purchasa price, which did not involve the purchase of

not involve the purchase of assets, was less than £1m.

The company employs just under 40 staff at its Titchfield, Hampshire, headquarters and expects to achieve turnover of more than £750,000 in its first year. Plessey group companies will account for 25 per cent to 30 per cent of its husiness.

30 per cent of its husiness. lt advises on the availability and reliability of romplex defence and telecommunications

systems and equipment and on The other executives involved DUPORT/SAVILLE GORDON DEAL

Duport end J. Saville Gordon Group say agreement in principle has heen reached between their respective subsidiaries wherehy Duport Properties will sell the Vaughan Estate (an industrial

vaugnam Estate (an industrial trading estate at Tipton) to J. Ssville Gordon Properties.

Consideration is a cash payment of £4.75m (the value in the hooks of Duport Properties at January 31 1982). The Vaughan Estate will continue to he administered by Duport Properties.

It is not expected that the disposal will have a significant effect on profits of Duport Group. Proceeds will be used to reduce Duport's horrowings and the group is expected to henefit from flexibility which will result from a reduction in level

#### Audiotronic details

Audiotronic Holdings have been announced in a circular to share-holders from Mr Alexander Macpherson, the group's chair-

Each holder of the 10p preference shares, under the proposed terms of the reorganisation, will receive 50 new ordinary 2.5p shares in place of 100 preference shares. Each holder of the 10p ordinary shares will receive six new 2.5p ordinary shares in place of 100 ordinary shares.

The reduction of the capital will allow the accounting elimination of Audiotronics' accumulated deficit of £4.2m and

the creation of a special reserve of £678,000.

Audiotronics announced on May 25 the sale of its loss-making Dutch retail subsidiary Aliwave. The hoard now helieves that despite a consequent reduction of the group's short-tern indebtedness, additional capital of £400,000 is still required as a prerequisite for the survival of the group. A rights issue for this amount is envisaged.

Emphasising the importance of the proposed restructuring and the rontinuing precariousness of the group's financial position, the

the group's financial position, the board yesterday indicated further that the only alternative would he a realisation of the remaining assets, offering little to preference shareholders and nothing to ordinary shareholders.

#### DELTIGHT OFFER

An extraordinary meeting of Deltight Industrics has opproved an increase in the group's share capital.

Accordingly the subscription agreement became unconditional: 2.7m new ordinary shares are to be allotted to the subscribers

(Newship Industries) in exchange for £351.091.

This is expected to be implemented within five days. The transaction gives rise to a mandatory bid obligation upon the subscribers.

STANDARD SECURITIES Standard Securities bas completed the sale of 187/205 St John Street, EC, for £1.4m, being £110,000 in excess of the

valuation which was carried out in connection with the com-pany's listing on the Stock Exchange in April 1982.

#### JOHN CROWTHER BEAUMONTEX.

John Crowther Group has acquired Beaomontex from the Beaumont family and the liquidator of Reunards Garside.

# Clasing Vol. Glosing Vol. Ex reise Glosing Vol. 260 280 300 280 300 130 630 680 460 300 330 72p 104p

191110

369p 830

17(1

#### **EUROPEAN OPTIONS EXCHANGE** 16 = 124 NL 81 47-01 00 | 1.50 25 | 0.80 30 0.70 F,102,60 F.100 F.102.50 20 1.50 28 F,23.50 . . . 0,90 2 3 1 1,50 F,46" 10 F.14.70 5 5,90 4,50 F.111.20 4,80 0,40 F,115.20 4,50 0.40 F 31 2 17 F. 143.80 1 0.10 TOTAL VILLIME IN CONTRACTS 1256 P=Put

#### HARMER ACQUIRES 87.5% OF FIT .

The offer hy Harmer Securities for Finance and Industrial Trust has been accepted in respect of 2.52m shares (87.5 per cent). These include 1.65m (64 per

cent) held by Harmer Finance, of which Harmer Securities is a wholly-owned subsidiary.

Offers have been extended and will remain open until July 23. ALBERT FISHER

Mr A. B. Millar, the chairman of the Albert Fisher Group, has purchased through Airstar, a company controlled hy him, 299,999 ordinary shares in the group. He is now interested in 1,167,159 shares (19.45 per cent). Mr P. D. Brown has disposed of 215,558 shares, reducing his holding to 483,602 shares

GEORGE SPENCER Gilstan had disposed of 223,050 ordinary shares in George

Mrs S. H. Livingston Is o director of hoth rompanies, and is heneficially interested in the share capital of Gilstan.

As a result of the disposal Mr S. H. Livingston cesses to have a beneficial interest in 223,050

#### NSG/DAWSEA

The Scheme of Arrangement to effect the amaigamation of North Sea & General Oll Investments (NSG) and Dawsea has been sanctioned by the High Coort. Dawsea has become a wholly owned subsidiary of NSG and certificates for Dawses prdinary shares and lean stock now cease in be of value.

SSUEC

ment is issued in compliance with the the Council of The Stock Exchange.

#### ANGLO NORDIC HOLDINGS PLC

d in England under the Companies Act 1867 on 19th November, 1887 and rooistand in England No. 253630

AN INTRODUCTION TO THE UNLISTED SECURITIES MARKET Standard Chartered Merchant Bank

Limited The Company has recently agreed to acquire the whole of the issued share capital of Doverford Limited, an industrial holding company with engineering and property interests. Consideration for the acquisition is the immediate issue of 6,562,500 Ordinary Shares of Anglo Nordic Holdings PLC and the fusions. PLC and the further issue of up to 2,777,777 Ordinary Shares on a formula

basis dependent on the level of profits of Doverford Limited in the year to SHARE CAPITAL

<u>Authorised</u> £700,000

Ordinary Shares of 5peach

£528,125 Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the Unlisted Securities Market on The Stock Exchange in the above-mentioned securities, it is emphasised that no application has been made for these securities to be admitted to listing-Particulars relating to Anglo Nordic Holdings PLC are available in the Extel Statistical Service and are also on display during normal business hours on iny weekday (Bank Holidays and Saturdays excepted) up to and including

> Laing and Cruickshank, 15th Floor, The Stock Exchange.

5th August, 1982 at the address below:

# What's inside the Tilbury Group?

Very briefly, twalve subsidiary or associated companies active in many aspects of the construction industry

sales, mechanical services, property

devalopment, as well as the supply and

Authorised

6,000,000

throughout the United Kingdom. These activities includa civil engineering, building, plant hire and

laying of road materials. This work is carried out for e wide range of clients in both the public and private sectors.

Despite a 15% reduction in turnover due to the continued recession, an advance in trading profit of over £2.2 million was achieved in 1981.

For an update on Tilbury send for the latest Annual Report.

Apply to: Tilbury Group Public Limited Company Tilbury House, Rusper Road, Horsham, West Sussex RH1248 B. Horsham (0403) 69031

Tilbury Group Public Limited Company Towards a Century 1884-1984

the subscribers,
The offer will be 13p for each
Deltight ordinary share

OPTIONS

PRE-TAX losses of £390,000 for the 26 weeks to April 25 are timing absence of any appreciable recovery in the layer of Group, compared with profits of £820,000 previously.

But Mr Rex Chester, the cinirman, says the group is now trading profitably and the interim dividend is being maintained at 1.5p net—last year a total of 4.2p was paid from a taxable suspine of £2.87m.

The chairman had indicated in May that this manufacturer of

May that this manninchirer of paint and other surface coolings would incor a grant loss at six

He now expects second-ball results to show a substantial im-provement over those for the first half. This should lead to a full-year outitors: "which will not be unsetisfactory having regard to all the circumstances."

The interior loss was caused primarily by tuning differences in selving price increases, raw material cost increases and

PRE-TAX PROFITS of

private property and vehicle dis-tribution group Heron Corpora-

tion rose from £13.43m to £15.5m in the year to March 31, 1982,

on turnover of £322m, up from last year's £302.69m.

says that as a result of available

management and financial resources, Heron is now in a

e substantial acquisition.

The ratio of interest-bearing debt to shareholders' funds had

ition where it is able to make

Gerald Ronson, chairman,

dustry also affected performance. Losses per 25p share in the half-year are shown as 41p, compared with earnings of 2.4p last time. Tex took £335,000

Sales rose from \$42.56m to \$49.45m, with the UK contribution increasing by £3.51m to Trading profits dived to \$433,000 (£1.38m), comprising UK

£152,000 (£694,000) and overseas £281,000 (£635,000). Cover Plus, with Woodworth's increased commitment to DIY, continued to perform well during the period, the chairman says. The trade sales market has been subject to intense competition at home but some progress has been forecast of half time losses at the end of May. So the full

made in export markets.

The industrial division held its m spite of severe competition. almost total equanimity. The The continuing depression in price held steady at 59p yester-

Heron pushes ahead to £15.5m

On Monday, Heron announced

that it had acquired a 5.1 per cent stake in UDS Group, the

Mir Ronson says that following the unsuccessful attemp to acquire Associated Communications Corporation at a realistic price, Heron was continuing actively to look for further acquired.

further acquisitions."

Interest payments for the year totalled £9.49m (£9.62m) and tax took £7.13m (£9.65m). Minorities gradity amounted.

credits amounted to £1,000 (£160,000) and extraordinary credits contributed £2,28m (debt £1,99m).

three day water are the tour the farming absence of any appreauly led to substantial reductions chable recovery in the level of in demand for coating products activity in UK manufacturing industry also affected performance. division.

Overseas companies continued to make a satisfactory contribu-tion but development expenditure on some of the group's more recent acquisitions has been somewhat higher than anticipated, particularly in South Africa and North America. Interest charges rose to £782,000 (£468,000), reflecting mainly the cost of borrowings

incurred in making recent aqui-

the end of May. So the full extent of Macpherson's downturn own in terms of market share was greeted in the market with

The group's profit before tax reaks down as follows: trading

group finance charges £5.17m (£4.42m).

(£9.26m); property (£2.88m); insurance

day having already come back from a high of 86p. Macpherson's basic problems are straightforward enough-intense competition, sagging volume on decorative paint and weak prices. The group has just implemented its first increase on the decora-tive side for 15 months—a rise of 71 per cent for Cover Plus. Pricing on industrial coatings is even more uphill. The acquisi-

tion spree has lifted interest costs by more than £300,000 and capital gearing is up to 65 per cent. The group is budgeting for sales of £108m this year and there will be a return to the black in the second half. But some City estimates of £1.8m pre-tax for the year are asking a very great deal of the closing six months. Moreover the long term commitment to Woolworth's high street shops (Macpherson does not sell through B and Q) is a question mark over the future's growth prospects. A yield of 10 per cent is still taking a fairly

#### **Bambers Stores** forecasts -

THE CHAIRMAN of Bambers Stores told the annual meeting that the policy of the directors to reduce stock levels had been eccelerated and that excess

He warned, however, that this policy would result in a loss et the interim stage, but added that, despite what was going to be a very disappointing first half, be believed the problems of the past months were now behind. The meeting was told thet the new management bad matters firmly under control and had

#### R. Kelvin Watson up 25% to £0.46m

FOR THE year ended March 31 1982, R. Kelvin Watson, optician, recorded a 25 per cent rise in profit before tax to £456,633 against £365,193 last time, on turnover up from £5.6m to

The final dividend per 10p ordinary share was 2.2p net (2p). lifting the total to 3.5p net (3.3p).

came to (£188,720), leaving net profit at £267,002 compared with £176,473 previously. Earnings per share were stated higher at 7.85p

The directors say this results have been achieved in spite of there having been no real signs of an end to the recession. The company is to maintain its policy of expansion, particularly in its retail outlets, directors say.

In eddition, the company has had a successful year with the gas permeable contact lens and in wholesaling contact lens products. Directors say that they are looking forward to more success from a new extended wear contact lens to be launched in the

The current year has com-menced satisfactorily, the directors note, but caution that in common with the rest of the experiencing some resistance from the consumer to the increase in health service optical charges which came into force in April this year.

However, it has been the company's experience in the past that such resistance is of a tem-

CCA pre-tax profit works out to £251,000 (£182,000).

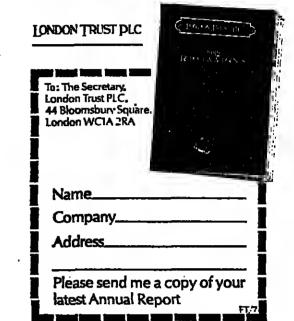
London Trust is an investment trust with holdings in a diversified range of companies throughout the world, but predominantly in the

The second

A substantial proportion of the portfolio is invested in smaller companies and venture situations which, in the opinion of the Trust's Directors, offer outstanding growth potential. Their activities range from microcomputers, word processors and miniaturised TV carneras for use in microsurgery to banking, aeroponic agriculture, TV series for international distribution and film.

# Our interests are more interesting than most.

For information about London Trust's progress to date and investment philosophy for tha future, please send the coupon for a copy of our just published Annual Report.



#### reduced substantially in the past few years. At year end, taking into account cash balances of £27m, the ratio stood at 58 per cent, giving much room for

EXCHANG

#### well ahead: pays 3p more

furniture maker, managed to push up its pre-tex profits from £117,000 to £248,000 for the year to March 31 1982. Turnover rose by £1.14m to £4.82m. First half profits amounted to

£168,000 (£21,262 loss) and a reasonable third quarter was anticipated. No prediction for

stated earnings for the 1961-82
year emerged well shead at 20.35p (11.22p) and a final dividend of 3.5p makes a net total of 6.5p a single payment of 3.5p was paid the previous

remain difficult the company is charges arising largely from the continuing to trade profitably.

However, the directors say it is probable that profits for the first 1981. less then those of the corresponding period,

#### R. W. Toothill Rexmore turns in £546,000 laid the foundation for a total and sees further progress

bi caks £8.14m

department store, women's 25.48m (25.5m); other activities fashion and meanswear retailer, £216,000 (£625,000); unaliozated

for the year to March 31, against losses of £901,000 previously, are reported by Rexmore, fabric supplier and distributor, Turn-over fell by £5.86m to £31.01m.

The pre-tax figure includes higher associate's contribution of £69,000 (£41,000) and is after reduced losses of £28,000 (£843,000) on discontinued opera-tions, and interest of £808,000 (£1.3m).

The directors expect the group to obtain further benefits from the rationalisation programme of the past 18 months and they forecast further progress this year.
There was an improvement at the trading level of £136,600 and a £496,000 reduction in interest

"but not Blackburn have been eliminated, period the directors say. But the final loss).

TAXABLE PROFITS of £546,000 closures have entailed additional

extraordinary expenses of £130,000 and it is clear these are the final costs.

The total dividend is raised from 1p to 100p net, with a final of 0.525p, while earnings per 25p share are given as 2.46p (11.69p losses). Tax charge fell from £285,000 to £197,000. The directors say that during the year the guarantees concern-ing part of the borrowings of a former trade investment were called for substantiation when a

receiver was appointed. The group's Hability was advised to e minimal at all material times. Trading losses and expenses were incurred ducing the sixmentic receivership and the con-sideration which will be received on deferred ferms for the business has proved inadequate and has provided for the full

CCA pre-tax income for the period was £266,000 (£1.21m

# Mr Ronson says that share-holders' funds increased by 40 per cent to £186m, including some £36.6m arising from valuation on completion of several property development projects. At March 31 1982, Heron had total available financial resources, either in cash or undrawn bank lines, in excess of £100m. The company is wholly-owned by

# midway loss

stocks held at the end of last year had, been significantly reduced.

# **GROUP RESULTS**

This Year Last Year

£000 122,254 127,093 Profit on Trading 8,411 (Loss) Profit attributable to **Ordinary Stockholders** (Loss) Earnings per£1 unit 2.0p

Dividends per £1 unit Extraordinary Items (881) Reduction in Reserves INTRODUCTION

past. This weakness in mechanical

improvement over the first half, not so much because of any major upturn in demand but rather because our cost base has been progressively reduced to levels more appropriate to the present low levels of demand. Undar the difficult circumstances it is gratifying that we were able to reduce UK borrowings. Whilst overseas borrowings have increased in sterling terms, a part of this increase reflects the fall in the value of sterling against other currencies, particularly tha USA

We have decided to maintain the same dividend as last year of 2-0p on each £1 unit of Ordinary Stock egainst the beckground of improved results in the latter part of the year.

#### RENOLD IN RECENT YEARS The severe increases in the price of oil in the

fostered a downtum from high levela of world economic activity. The recession was particularly notable in the declina of menufacturing industry throughout the Western world end was most obvious in the UK. The late aeventies, which included a second oil ahock and a determined effort to rid economies of the blight of high inflation presented major problems for Renold. We restructured our manufacturing operations, closing unwanted capacity and concentrating new investment in activities with the greatest potential, such as Hydraulics, Electronics, other high value-added power transmission activities, Phermaceutical Equipment and selected overseas operations.

In mid-1980 demand levels fell steeply, with both Europe and the USA being badly affected. The process of restructuring and retionalisation had to be accelerated - more fectories were closed and the ectivities of others curtailed severely, the headquarters building was sold and the whole structure of the organisation streamlined for aconomy. Overail, our employment levels have been reduced from soma 15,000 in 1975 to some 8,500 at present.

RENOLD TODAY AND IN THE FUTURE 1981/2 saw e continuation of low demand levels and high interest retes which together

# RENOLD

#### INTERNATIONAL ENGINEERING MANUFACTURE AND MARKETING

Renold PLC will be held on 29th July et Renold House, Wythenshawe, Manchester

TAXABLE PROFITS of Lagan-exceptional debit of £49,450 vale Estate were on target at (nil). Net assets per share £293,484 for the 12 months to totalled 34p (30p).

April 30 1982 and showed e The directors say that since considerable improvement over

In February, announcing that Sturia Holdings had withdrawn its bid for the company, Laganvale directors forecast profits of not less than £280,000. Midyear figures were £86,149 higher at £124,023.

Stated earnings per 10p share for the year moved ahead from 0.67p to 1.08p, pre-exceptional items, but there is again no ad. However, the directors say that circumstances allowing. they bope to bring the company back to the dividend list during

Turnover for the year under review rose from £967,176 to £1.8m—the group's activities are principally related to property investment, development and

The pretax surplus included interest received of £91,692, against a charge of £132,620. Tax paid amounted to £134,526

Laganvale on target with £0.29m

siderable improvement over the beginning of the 1981-82 year £108.815 returned the the company has, under its new management, engaged in further disposals of its secondary pro-perties. The Mitre House office and shop complex in Brighton now represents a major proportion of the company's assets. Negotiations were completed last month for the surrender of

one of the shop leases for £175,000 the rent bad been £175,000—the reut bad been fixed at £1,300 per annum for the next 12 years. The directors point out that this shop has now been re-let at £50,000 per annum for 20 years with five year re-views. This transaction is not reflected in the assets per share

It is the policy of the company to pursue further transactions that will similarly enhance the capital value of Mitre House.

At the end of the year under review, Laganvale acquired Reporturest It also acquired. received of £91,693, Regenterest. It also acquired charge of £132,620. £1.4m of commercial properties and there was an as trustee, and will have benefit

of rental income of some £90,000 as well as imminent rent reviews

Group rental income is now which the directors intend to further increase.

As e result of an introduction by its financial advisers Rhone Trust (51 per cent owned by Geneva-based Banque du Rhone et de La Tamise S.A.), Laganvale successfully completed negotiasuccessfully completed negotia-tions to invest approximately \$0.5m in a \$12.7m office develop-ment in Michigan, U.S. The director's policy is that invest-ments in the U.S. are carried out with substantial U.S. partners, who themselves in turn become majority investors become majority investors.

They intend to step up the company's property dealings, both in the U.S. and the UK, and with the benefits of these plans, Laganvale will develop high quality diversified portfolio of properties, showing both revenue and capital eppreciation in the future. New investment opportunities will continue to be

Laganvale is proposing to change its name to Regenterest.

Results for 1981/2 reflect the very low levels of demand for mechanical engineering products, particularly in the United Kingdom, the rest of Western Europe and North America -ereas which, collectively have been a major source of demand for Renold products in the engineering is a feature of most economies end reflects both the general recession in manufacturing activity end the high interest

The second helf of the year showed some dollar, at the end of the year.

early seventies coincided with and greatly

Statement by the Chairman Mr L J Tolley CBE. The 52nd Annual General Meeting of

with further redundancies and rationalisation

end more efficient organisation which remains can be expected to give a better financial performence provided that any major economic shocks do not undermine world confidence any further. Renold is capitalising on its technical ability to manufacture end market high quality power transmission products for applications which demand reliability in technically exacting situations and where high performance and value for money are the overriding considerations.

In both power transmission and other fields of ectivity there have been many signs of progress, including:

- a resurgence in demand, particularly overseas, for automobile camshaft chain based on the introduction of a new longer life chain
- accelerating progress in hydraulic motors helped specially by the Sperry Vickers agreement to which I referred last year, end with other such agreements being actively
- continuing growth in worldwide sales of electronic speed controllars of new and edvanced Renold design
- success in our engineering contract activities covering power transmission packages end machine tools
- extension of our phermeceutical equipment activities to include capsule machinery to be sold and made under a licence agreement with Eli Lilly and e further marketing agreement for packaging equipment
- the introduction to the field of industrial robots in association with a European manufacturer
- extension of computerised systems which will improve our customer service and make better use of stocks.

Thus elthough much attention has had to be directed towards edjusting our operations to the lower levels of demand this has not been allowed to divert effort from the future growth of the Group. This requires maintenance of e strong technical base in precision-engineered, quality products, supplemented by new products and new markets with growth potential in areas associated with our existing business.

#### THE ECONOMIC SCENE

There is very little firm evidence in the Western economies of any early and substantiel recovery, despite the clear signs that a much higher level of capital investment is needed to raise productivity and embody tha recent advances in production technology. Thera is, however, considerable evidence of

the growth of pent-up demand; the translation of this pent-up demand into actual orders is inhibited by such factors as politicel uncertainties, high and volatile interest rates and low rates of return, high costs of public sector supplies and services and the strength of competition from the Fer East. The situation tends to confirm the fact that in the West the wealth-creating sectors, including machanical engineering, have been allowed to decline so far that they can no longer sustain the required level of expenditure on goods and services. As long as the necessity for an effective, broadly-based manufacturing industry continues to be ignored the likelihood of substantiel recovery must remain uncertain. I believa, however, that there could still be e recovery in the near future if interest rates were to fall substantially and in the longer term by a determination on the part of manufecturing industry to invest in new technology in those areas which at present ere being allowed to pass to other countries.

#### CHAIRMANSHIP

It is of course disappointing to me that a long and fulfilling carear in manufacturing industry ia coming to an end at a time when the fortunes of Renold and indeed those of menufacturing industry es a whole are at a low ebb. However, se far as Renold is concerned, I am aure that the actions already taken will pave the way for recovery. I therefore hend over to Sir Campball Ademaon confident that he and the many capable and determined executives concerned will lead the Group to the better times which lie ahead. My thanks go to all Renold personnel for their unfailing support over many years and my best wishes for a successful future.

#### **GROUP PROSPECTS**

It is now likely that internationally destocking hee for the most part come to en end, and this should halp to stimulate demand for our products. However the capital investment hiatus remains e serioua problam in many countries and industries, now evan in oil exploration and production which has sustained many engineering companies in recent years.

It is not therefore expected that there will be any significant improvement in demand in 1982/3 but the actions taken to cut costs and interest charges should result in an improvad finencial performance. We sre constantly alart to the need to review our operations in response to fluctuating aconomic and trading conditions and to take whatever further actions are nacessary to accelarate recovery. We ere now in a strong position to take immediate advantage of any upturn in demend arising from an improvement in aconomic conditions.



RENOLD PLC . MANCHESTER

REED INTERNATIONAL (paper, paper-REED INTERNATIONAL (paper, papertosrd, aschaging, printing, publishing,
wall coverings, building products) —
Results for the 53 weeks to April 4
1982 reported June 8. Sharehelders'
lunds including £4.1m preference share
copital, £589m (£498.3m). Properties
and plant £331m (£345.2m). Nat
current assets £287.1m (£263m).
Increase in short-term barrowings
£10.4m (£21.6m), increase in shortterm deposits £19.6m (£34.4m)
decrease). Futors capital expenditure
£29m (£37.9m), made up as to contracted for £14.1m (£20.4m) and
autherlasd but nat contracted for
£14.9m (£77.5m). Meeting: The
Institute of Electrical Engineers, Savoy
Place, WC, August 5, neon.

\* 150°\*\*\*\*\*\*\*\*

 $q(\sigma(\sigma)) \stackrel{\mathrm{def}}{=} q(\sigma)$ 

Section of the section of

SPENCE

BARDON HILL GROUP (quanying plant and care in the year to March 31 1962 and prospects reported July 2. Shareholders' funds £5.8m (£7.84m). Fixed seasts £9.45m (£8.42m). Net current teases £9.45m (£8.42m). Net current teases £14.000 (£45.000). including benk overdreft £1.28m (£83.000). Meeting: Leicester, July 22, 11.30 sm., EDBRO (HOLDINGS) (angineer)—Results for the year to March 31 1982, and prospects reported May 28. Shareholders' fund £9.08m (£7.84m). Net current seasts £5.3m (£1.14m), including secured overdraft nil (£4.85m). Reduction in working capital £534,000 1£4.93m). Meeting: Charing £1034,000 1£4.93m). Meeting: Charing £1038,000 1£4.93m). Meeting: Charing £1038,000 1£4.93m). Net current seasts for year to Merch 31 1982 resourted hums 3. Ordinary sharsholders' funds £32.42m (£29.28m). Net current shortes £38,00m (£30.74m); Short-turm deposits and securities £18.14m y£11.88m). Sank overdrafts and short-turn shortes £18.44m y£11.88m). gaposits and securities £16.14m (£31.74m); Short-turm £16.14m (£11.66m), Bank overdrafts and short-term loans £1.49m (£8.11m). Flust parts £6.58m (£7.03m). Increase in working capital £8.33m (£7.15m).

RESULTS AND ACCOUNTS IN BRIEF (£10.07m) including bank overdrafts 99 Kensington High Street, W. August 10, 10,30 sm.

10, 10.30 sm.

BRITISH BENZOL CARBONISING (coke and smokeless fuel meourecturer)—Results for year ended March 31 1982 reported June 2. Shareholders interest C1.48m (£715,000). Fixed assets £1.63m (£1.78m). Met cympet liebilières £17,000 (£904,000). Net artitour of funds £1.14m (£2.83m auriflow). Brint Investments holds 24.65 per cent of capital, Meeting, Newport, Gwant, Labr 28, 2.30 pm.

flow of funds £1.19m (£2.52m auriflow).
Britte Investments holds 24.65 per cent of capital, Meesing, Newport, Gwant, July 28, 2.30 pm.

DUNDOMIAN (property development, natural resources, financial services)—Results for the year to March 21 1982 reported May 27. Shareholders' funds £18.21m (£13.9m), Fixed assets £14m (£7.65m). Current seests £14.45m (£12.95m); current liabilities £11.95m (£5.41m). Meesing: Institute of Chartered Accountaints in England and Wales, Moorgats Place, EC, July 27. 11 am.

REDIFUSSION (selevision rental, electronus)—Results for year to March 31 1982; reported June 25. Sharrinders' tunds £115.25m (£103.82m). Fixed assets £151.25m (£103.82m). Fixed assets £151.25m (£103.82m). Fixed assets £151.25m (£103.82m). n. cluding bank belances and cash (£10.55m). Current liabilities £99.95m (£105.52m), including shorterm toens and bank overdestic £5.73m (£3.72m). Charten stys group entering period of havey capital expenditure, does not lorease difficulty in borrowing money useded, without undue estatin on betance sheet. Meeting: Institute of Directors, SW, July 26, 12.15 pm.

SCOTCROS (sood, purkaging, engineering)—Results for year 10 Merch 31 1982 reported June 9 Total Merch 31 1982 reported June 9 Total engineering) —Results for year 50 Merch 31 1882 reported June 9 Yould shareholders' funds 27.04m (28.35m). Fixed sistes \$10.65m (67.25m). Net current Hisbliffes \$14.000 (62.24m easets). Benk werderits \$1 04m (£1.55m). Meeling: Glaegow, July 25. report.

ouppies, engineering)—Results for the year to Merch 31 1982 reported June 2. Sha reholders' funds £22.48m (£21.38m), Fixed assets, £11.8m (£37.46m), fourent seets £32.28m (£37.46m), including stocks and work in progress £15.95m [£19.07m]; current inhibities £15.46m (£23.47m), including bank overdrate £4.46m (£9,74m). Decrease in working cepital £2.77m (£5.69m). Chelemen says advances made are significant but there is some way to go before group achieves tevel of performance resilised prior to 1980 downturn. Meeting: Wilestow, Chesilize.

NEW TOKYO INVESTMENT TRUST—No interim dividand. Capital appraciation remains the company's primary objective. Pre-trix revanue 1998 for six months to June 30 1982 (58.248 deficit lar penad from October 20 1990 to June 30 1991). Tex 58.713 (52.214). Official representations of the company of CRESCENT . JAPAN INVESTMENT

CRESCENT JAPAN INVESTMENT TRUST—No dividend, cepital appreciation remains company's primary ebjective. Pre-tax revenue lor aix months to June 30 1982 £100,797 (£30,240). Tax £52,414 (£46,25). Earnings per share 0,72p (0,649). Net asset value 294.9p (357.8p). Board says Japanese stock markets relatively quiet as impect of recession made inself left industrial and office surametian stocks remaines to be emphasised in portfolio. JOHNSON MATTHEY (procoous metal refining, banking, chemical manufactural)—Results for year anded Merch psining, banking, chemical manufac-tura)—Results for year suded Morch 31 1982 reported June 17. Shane-holders' funds £303.42m (£296.57m). Current essets £1.39nn (£7.21bn). Current fieblildes £1.39nn (£7.08nn). mctuding benk fosne: and overdrafts £31.63m (£50.95m). Investments £26.58m (£50.07m). Prest assats £90.25m (£73.48m). Base stocks £73.74m (£73.48m). Working capital decreesed £5.29m (£24.9m increase)

copper sales

LIMA - Peru intends to ask

other copper producing coun-

tries to join it in suspending

exports of the metal until

world prices improve, reports AP-Dow Jenes.

President Fernande. Bel-

aunde Terry says support for

the Peruvian proposal will be sought at next week's

meeting here of the Inter-

governmental Council of

Copper Exporting Countries

Representatives from Chile,

Zaire, Zambia, Peru and

other countries which control

more than 70 per cent of world copper production will

meet here on Monday and

President Belaunde and

other government leaders

cern over low world prices for metals. Mining is Peru's

largest industry, employing 60,000 people and generating

60 per cent of the country's earnings. Peru produces around 400,000 tonnes of

If Peru restricts its copper sales, production would be

paralysed at important mines, including Toquepala and Cur-jone in the southern part of

country, Sr Belaunde

(CIPEC).

Tuesday.

boycott

#### Help for Indian **jute industry**

THE INDIAN Government has decided to establish a Jute Fund to belp the jute industry modernise its units, which are now facing a crisis because of competition from synthetics and falling exports.

Mr Shivrap Patil, Minister of Commerce, told a parliamentary committee that the Government also planned to pass legislation to revise the jute levy in order research and finance development.

In addition, the Government proposed to intensify measures already taken to stimulate demand for jute goods by con-tinuing purchases by its own agencies and by expanding the role of the Jute Corporation of India for ensuring fair and remunerative prices for raw jute,

Mr Patil rejected the industry's plea for a production cut and closure of some mills for a period on account on the present glut in jute products.

#### No wheat imports expected

INDIA'S agriculture ministry now feels that it will not be necessary to make grain imports this year in spite of the damage to the wheat crop earlier this year. This follows unexpectedly large sales to the Government by farmers so far.

Wheat procured by government agencles for stock purposes has been estimated at more than 8m tonnes, which is 1m tonnes more than at the same time last year when there was a record harvest. Procurement could exceed 9m tonnes by the time the season ends in the next three weeks.

This means that the govern-ment's buffer stock will have reached about 15m tonnes, well above the 12m tonnes considered necessary for a safe buffer stock although the "operational stocks" - those catering to the public distribution system of ration shops — will still be insufficient until the rice crop is barvested in the antumn,

# EEC to maintain Peru urges export pressure

BY LARRY KLINGER IN BRUSSELS

has made clear that it will con-tinue to seek expanded export diminish." gradually outlets for the European Community's surplus agriculture the export refund would remain produce in spite of growing a "key mechanism" and that protests from some of the overall policy would continue EEC's main trading partners to be directed towards expanthat its subsidies policy is both sion.

unfair competition and dis-

cupting to world markets. The Commission is also still aimiog to secure long-term "with a comparatively open export contracts in spite of the system and few restrictions on oppositioo of several memberstates, and would like to expand sales to Eastern Europe, rejectiog the European Parliament's call for rigid cootrols on trade with the Soviet Ucion and its Warsaw Pact allies.

Mr Poul Dalsager, the Commissioner responsible for agriculture, told EEC Agriculture Ministers and other top officials, who ended a two-day informal meeting in Brussels yesterday, that the Commission was seeking a "more coberent strategy" to pursue its "active" export policy, based on a wider range of instruments than just the export refund.

The widespread use of the export refund—which is basically a subsidy paid to make up the difference between the EEC's guaranteed producer prices and lower world comprices and lower world commodity prices—is the main bone
of contention with the EEC's
maio competitors, and Mr
Dalsager said that it would be
rigid, less effective and mora preferable, in the medium-term, expensive."

THE EUROPEAN Commission that the importance of the

He made clear, however, that

While pointing oot that the EEC remained the world'e largest agricultural market private enterprise," he emphasised that "our main competitors, such as the United States and Australia, are becoming iocreasingly aggressive in their

own export policies."
Mr Dalsager said that be boped that the "reservations" of several member-states on loog-term contracts would be lifted soon and called for the greater co-ordination of export Mr Dalsager admitted that

the Commission was under considerable pressure from Parlia-ment to adopt sterner control measures on exports to Eastern Europe and did not rule out "some improvements" export arrangements, "possibly through greater co-ordination with other suppliers." "We do fear, however." Mr Daisager said, "that some of the suggestions made in the

said. The mines are operated by the Southern Pern Copper Corporation, which produces 67 per cent of Peru's copper and employs 10,000 workers.

copper a year.

#### MEAT TRADING

# Alarums in meat marketing

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

Meat at Barnstaple, one of the private hutcher's shop which success stories of agricultural closes means one less huyer. marketing, has told its members that it has been making havy losses. It is continuing trading markets, but from wholesalers. hut been forced to freeze dehts outstanding as at June 25. The the wholesale meet trade was announcement has had repercussions right through the marketing chain.

One of the first effects may bave been a substantial drop in the live market price of lambs in the last two days of last week. This was believed to have been caused by a diversion of lamb from deadweight selling

abattoir failures. Confidence has been sbaken everywbere and the diversion could well be total instead of about 70 per cent at present.

The problems of North Devon Meat have been common to all the wholesale meat trade. Turnovar in beef is well down and to British sheepmeat.

To make matters even worse. Livestock auctioneers may be except for pork a between hard selling by farmers the devaluation of the French rubbing their hands at the slowly declining.

THE AGRICULTURAL coopera- and the even barder buying by franc bas made the landing of prospect of conducting more of tive movement bas heen the supermarket chains. These lamb in the Paris market the sales of fatslock, but their shocked this week with the do not yet control the majority absolutely impossible. The position is none too secure. It amountement that North Devon of the meat market, but every French market is in any case in true their throughput is most at Registerials and the even paragraphs and the even paragraphs and the even paragraphs and the sales of fatslock, but their position is none too secure. It very weak at the moment.

Meat traders have attacked the regime in no uncertain The supermarkets do not in terms, but farmers can see general buy from farmers or little wrong with it nor, when he negotisted it, could the One of the safety valves for Minister of Agriculture, Mr Peter Walker. He claimed that the operation of the deficiency the export of sbeepmeat to the continent-40,000 tonnes were payment would mean that the exported last year. But this outlet has been effectively housewife, a creature for wbom closed for the last few weeks he bas demonstrated scant sympathy in general, would get chaaper meat and she is because of the workings of tha EEC's abeepmeat regime. the certainly able to buy lamb well Under the regime, British sbeepmeat price is supported by a deficiency paybelow the farmer's guaranteed

ing those in the West of price up to the guaranteed price for tha week in which it is sold. The guaranteed price this week is 221 pence a shattoir failures. Confidence It is very difficult to see how any other scheme could have succeeded in maintaining the left for the auctioneers. to farmers without resulting in massive interven-tion buying. The French, on past form, would certainly have kilo, and if the market price is 150 pence (it could well be lower), the deficiency payment gone on preventing the imports of lamb when it boked as though they could have underwould be 70 pence. This premium is applied as a clawback on any exports of sheepment to fellow members mined their own market. The clawback which applies to the whole Community, stops any of the EEC and has closed the European markets. completely backdoor imports into France.

to British sheepmeat.

attractions to fermers is that they claim to pay on the day of aale. On the other hand, they are being asked increasingly to give buyers credit. One told me that a large and soundly based

customer had demanded three weeks' credit as a price for attending his auctions. Then there is the possibility of a buyer's failure which has to be insured against. Not all buyers are credit worthy, so premiums can be very large, if insurance can be secured at all It is possible that by the time the credit risks are insured and interest paid there is little profit

North Devon Meat bas been a even aggressive dynamic. organisation, particularly in the export trade. It may have overtraded to a dongerous extent, but it is almost certain that it won't be the last company to confess to difficulties in the present state of the meat market. To make matters worse, the consumption of red meat except for pork and poultry, is

# Indonesia sees coffee surplus

BY RICHARD COWPER IN JAKARTA

INDONESIA is likely to achieve a record coffea crop of 5.4m bags (324,000 tonnes) this year. but the increase could bardly bave come at a less auspicious time. Exports are down and coffee stocks, currently running at more than a quarter of the country's total production, could increase to over 40 per cent of output by early next year, according to western commodity experts in the

Indonesia—the world's largest exporter of robusta coffee

producer—bas been badly hit by a sbarp reduction in its coffee export quotas, and slack demand on the world market for robusta coffee. Last year (1981-2) Indonesia'a exports fell around 17 per cent to 3.2m bags. Few expect a big recovery

and the fourth largest coffee

in overseas sales in 1982-3. Traders and western commodity experts are forecasting exports of 3.3m bags, still well down on 1979-80 and 1980-81, unless there are serious crop

disasters in other coffee growing countries. The siack export outlook is made doubly painful by Indonesia's fast expanding ontput. In 1979-80 production was 288,000 tonnes. This year it is

expected to ba around 324,000 tonnes, up around 5 per cent on last year. Stocks are now running at about 90,000 tonnes and Western experts say by March next year they could well climb as high as 140,000 tonnes, more than 40 par cent of total production.

silver buillen + or LM.E. +or fixing troy ez. price Unoffic'i

Spot \_\_\_\_\_358,80p \_4.10 350,5p \_15,8 3 months,350,00p \_4.50 540,25p \_14,2

IME—Turnover: 188 (89) tots of 10,000 ozs. Morning: cash 340.0; three months 351.0, 50.6, 60.0, 49.5, 43.9, 49.5, Karb: three months 365.5, 48.0, 47.5, 48.0, 47.8, 48.2, 48.0. Afternoon: three months 347.0, 42.0, 41.0, 40.5, 40.0, Kerb: three months 340.3, 41.0, 41.5, 42.5, 43.0.

Futures traded eluggishingly within a narrow range. Actuels business remained cares with both producers and consumers exaiting fresh naws, reports Gill and Oufres.

Sales: 829 (810) lats of 10 tonnes. ICCO—Deily grice far July 8: 74.13 (73.84). Indicator price for July 7: 73.86 (74.02).

Trade buying in thin conditions en-couraged early gains, reports Orexal Surmham Lambert. Values continued to edvance until a lower New York

Close + or

Ogne Ogne

895-89 +8.0 901-895 954-85 +5.0 939-29 975-76 +6.5 279-69 1012-14 +6.5 1015-07 1033-83 +6.6 1054 1074-75 +4.6 1078-71

COCOA

COFFEE

# Sugar price rally continues

BY OUR COMMODITIES STAFF

THE RALLY in world sugar ever, with recent news indicat- Thai Board of Trade estimated tonne and the October position on the London futures market ending £2.475 up on the day at £126.875 a tonne. The LDP bas now recovered £21 from the hree-year low resched last 8.17m tonnes, against 5.04m in the same period last season.

Dealers see the recent rally. Total offtake until June 15 three-year low resched last month

as a technical reaction to a reduction in supplies available for domestic consumption and nearby delivery following increased physical demand—paragainst 3.25m for internal conticularly from Japan and China. In addition limited EEC releases at the weekly export period last year, tenders have encouraged the up-

The longer-term outlook re-

mains basically hearish, bow-

values continued yesterday with the London daily raws price being fixed E3 higher at £116 a likely to grow than decline. 1981-82 season (November to May) which could be milled In New Delhi, the Sugar Milis Association - has estimated into 2.67m toones of sugar.

India's sugar output up to June
15 in the 1981-82 season which during the milling season just 15 in the 1981-82 season which ended was 88.67 kilos per tonne of cane, lower than the started last October at a record

> government, BOT said. Thailand produced 18.6m was about 3.46m tonnes for tonnes of cane which yielded 1.6m tonnes of sugar during the previous season. • The 1982 Australian sugar sumption and 60,000 tonnes for

yield of 90 kilos fixed by the

cane crusb has started well with exports in the corresponding record tonnages being crushed in some areas and many mills reporting good sugar content, the Australian Sugar Producers June 15 were about 5,27m tonnes against 2,32m In Bangkok, meanwhile, the Association (ASPA) said.

#### Farmland prices steady:

By Terry Povey

AGRICULTURAL land prices in England for the three months up to the end of May everaged £4.400 per hectare, according to the latest figures from the Ministry of Agricul-This was £51 per hectare up on tha previous montb's figures.

The price index (1973= 100) was unchanged, bowever. at 213, while the weighted average price remained at £4.136. The provisional sales total

for the three months ending May was just over 6,200 bectares, less than half the figure for the three months ending June 1981 and just over balf the figure for the same period in 1980.

#### LONDON OIL **SPOT PRICES**

	Latest + or
ï	ORUDE OiL-FOR (8 per barrel)
	Arabian Light
	PROOUCTS-North West Europe

CIF (8 per tonne) 

at the close.

In Paris the 121 kilo gold bar was fixed at FFr 68,800 per kilo

In Frankfuri the 121 kilo gold Jonuary... 129.30-90.0.-1.900 bar was fixed at DM 25,120 per kilo (\$314.98 per ounce), against sunces.

# GAS OIL FUTURES

close	7.01	Don	
885,50 288,00 289,00 291,50 203,50	-2,25 -2,50 -2,25 -2,00 -2,75 -3,00 -1,00	285,00-1 284,00-6 287,00-1 288,50-8 288,76-8	1,50 2,50 6,50 8,26
694 (68	0) .lo	ts of	100
	2 U.S. per tonne 278,50 281,50 282,50 886,50 288,00 289,00 291,50 203,50 296,00	2 U.S. per tonne 278,50 —2.00 281.50 —2.25 282.50 —2.59 886.50 —2.25 289,00 —2.00 289,00 —2.75 291.50 —1.00 203,50 —1.00 296.00 +0.54	2 U.S. por tonne 278,50 - 2,01,278,50 - 2,25,283,004 282,50 - 2,25,284,004 286,50 - 2,75,288,76-1 291,50 - 3,00 - 2,75,288,76-1 291,50 - 3,00 - 2,75,288,76-1 291,50 - 3,00 - 2,75,288,76-1 296,00 + 0,58

Gold fell \$41 to \$310-311 in the London bullion market vesterday. The metal opened at \$312-313, and was fixed at \$313.10 in the morning, and \$311.00 in the afternooo. it touched a peak of \$3131-314, and a low of \$310-\$311

(\$310.44 per gunce) to the afternoon, compared with FFr 68,800 (8310.751 io the morning, and FFr 69,000 (\$312.91) Monday

LONDON FUTURES						
Month  Yest'rday's   + or   Businese						
			tions			
Accessed	£ per troy ounce 180,85-9,96	_ acn	187 90 0 80			
August Sept'mb' r	182,40-2,60	-2.575 -2.550	183.15			
Votober	105.00 0 48	1 050	100,23			

#### **GOLD MARKETS**

	уe	_ Ju	ıy e
Gold	aulilon (fine c	ouncel	
Opening \$312-315	(£180-180 <sup>1</sup> 2)	831454-31554	(£12112-182)
	(£180 <sup>1</sup> 2-181)	8315-316	(£12112-182)
	(£131,245)	8315.e0	£191.6971
	(£180,990)	8315.2e	(£181.763)

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CLUBS

Wesker physicals were the main factor behind a cantinual fall, reports Pramier Man.

- Month	Yest day a	+or	Busin	
July		-2,25 -2,50 -2,25 -2,00	278.50-7 283.00-8 284.00-6 287.00-8 288.50-8 288.75-6	1,50 2,50 6,50 8,26
March	296.00	+0.50		
Turnover:	694 (68	0) lo	ts of	100

DM 25,180 (\$316.82) previously, and closed at \$3101-311, compared with \$315-315}.

In Luxembourg the 121 kilo bar was fixed at the equivalent of \$313.76, against \$315.50.

	ON FUT		ES
Month	Yest'rday's	+or	Businese
Sept'mb' r October November	£ per troy ounce 180,85-9,96 182,40-2,80 184,03-4,56 186,00-6,49 187,80-8,90	-2.575 -2.350 -1.950	183.15

Tumover: 486 (109] lets at 100 troy

		July e	•	Jul	y e
		Gold Aulilo	n (fine ounce)		
Close Opening . Morning ! Afternoon	5310- 5312- fixing 8313. fixing \$311.	313 (£180) 10 (£181,	2-181) 5315 245) 5315	.ea	(£12112-182) (£12112-182) (£191.697) (£121.763)
		Gold Co	ine July 6		
Krugmd	\$5184-310	(£1843(-185)	King Sov	\$82-83 680 83	(£4712-48)

\$164-166 ' (148-903) \$831-341-2 (1481-48) \$34-35 (1184-20) \$3184-3184 (1184-20) \$731-74 (1184-43) French 20s 50 page Mex. 100 Cor. Aust \$20 Englos \$62-63 (£474-451 \$673-79 (£394-4514) \$37914-3812 (£220-2914) \$302-3041 (£173;-1764) \$375-383 (£2174-2221)



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Commodity Investment," please write to: Lyall Investment Management, Thames House, 772 High Street, Esher, Surrey KT109QA

TRAVEL

#### **BRITISH COMMODITY MARKET** SILVER

BASE METALS

BASE-METAL PRICES gave ground an the London Metal Exchange but for apot delivery in the London buillon slosed well above the day's lowest market yesterday at 339.8p.—U.S. cent levels reflecting hopes of easier U.S. equivalents of the fixing lavels were interest rates. COPPER dipped to £794 but railled to close at £801.5 while 809.2c, down 11c; aix-month £23.8c, LEAD was finally £328, efter £322.5 down 11.4c; and 12-month £32.8c, down 11.4c; and 12-month £32.8c, down 11.4c; and 12-month £32.8c, and 12-month £35.8c, down 11.3c. The metal opened at 339-342p (588-590c) and closed 336-339p (579-market railying late an U.S. physical interest. ALUMINIUM traded quintly while NICKEL ended the day at £2.770. COPPER Official - Unofficial -L E E HighGrde 777,5-8 -5 776-7 -B 5 mths 799-,5 Settlem't 778 Cathodes hodes 765.5-8 4.5 763.5 7.5 tonthe 787.5 5 793.5 7.26 tlem't 766 4.5 763.70.76 ....

Amalgametad Metal Treding reported that in the morning cash Higher Gmde traded el £779.50, 79.00, 78.00, three months £788.00, 98.50, 99.00, 800.00, 799.50, 98.00. Cathedes, cash £768.00, 65.50, 66.00, three months £787.00. Kerb: Higher Grade: Three months £785.50, 98.00, 87.50, 98.00. Afterneen: Higher Grade, three months £795.50, 98.00, 95.00, 96.00, 97.00, 98.50, 97.00, 98.50, 97.00,

98.00, 95.00, 98.00, 97.00, 98.50, 97.0 98.00, 87.00, 97.50. Kerb: Higher Grad Three manths £797.00, 98.00, 59.0 800.00, 801.00, 800.50, 800.00, 801.0 802.00, 801.50. Tumover 28,975 tonnes									
TIN Official - Unofficial	-0								
	£ 20								
Cash	20								

Three me tonnee.	36,730, 40, anths £6,7	50.	Tumover	2,
LEAD	a.m. Official	+ 61	unofficie	
3 months Cattlem't U.S. Spot Lead - £328.00, 2 months noon: Ti 23.00, 2: £324.50,	315.20 566.5 315.5 	4.25 5 4.5 0, 25.5 25.50, tha farb: 8.00,	565,-S *25-8 hree n 50. Karb: 25.00. 323.00, Three n 27.00,	Th Aft
	a.m. Official	+ or	p.m. Unofficia	J -
Cash 3 months 5 ment	414.5-5	-1,76	€ 408-9 412.5-3,	e_

Spot ..... 540-1 -.5 540,5-1,5 3 months 559-60 -1,25 659,5-60 Aluminium—Meming: Three months (558,00, 58.50, 59.00, Kerb: Three menths (559.50, Afternoan: Three months (560.00, 59.00, 59.50, 60.00. a.m. + or p.m. + or Official - Unofficial -I

2957-90 + 15 2990-3000 + 10 2955-60 + 5 | 2976-80 | + 15

\* Cents per pound. † M\$ per kilo. † On grevious unofficiel class, Nicksi Morning: Kerb: Three months

£2,955, 50. Afternon: Three £2,970. Kerb: Three months Turonver: 1,170 tonnes.

Raiss: 2,593 (3,434) fors of 5 tonnes. ICO Indicator prices for July 2: U.S. rents per pound: Comp delly 1979 119.74 (120.89]: 15-dey avamge GRAINS The market opened unchanged but ald arag wheat made quiek gains. New aros wheat sontinued to make gains from shigger and cammarcial buying, while barlay traded quiesty within a nerrow range. Acli raports. BARLEY July 191.00 +1.00 | 104.70 | 105.00 | 110.05 | +0.20 | 104.70 | 105.05 | 115.65 | +0.26 | 111.65 | 117.45 | +0.25 | 115.10 | 105.05 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114.25 | 114. -0.65 +0,05 +0.65 Business done—Minest: July 121.25-120.50, Sept 110.05-109.85, Nov 113.65-113.50, Jam 117.40-117.20, Mer 120.70-120.55, May 124.20-123.95. Sales: 508 lats of 100 tonnes. Barley: Sept 104.80-104.70, Nov 108.40-108.35, Jan 119.90-111.75, Mer 115.05 only, May 118.35-118.30. Sales: 60 tete of 100 tennes. HGCA—Locational ex-larm apol prices. Feed barley: S. East 102.30, W. Mids 102.50, N. West 102.59. The UK Monetary Coefficient lar the week beginning Monday July 15 (hesed an HGCA calculations using five days exchange rates) is expected to remain unchanged.

Airican Whita/Yellow July/Aug 86.00 seller. Bartyr: English Feed fab Aug 104,75 South Cosst, Oct/Dec 112 East Cosst sollers. Rest unquoted,

RUBBER The London physical market opened about unchanged, attracted fruis interest throughout he day, and closed uncersin. Lewis and Pest recorded a July fob price for No 1 RSS in Kusla Lumpur of 203,25 (198,0) came o kg and SMR 20 175.0 (173.5).

No. 1	Yest'r'ys	Previous	Bus ness
R.S.S.	close	close	Done
Aug Segt Oct-Dec Jan-Mar Api -Jne Jiy-Sept Oct-Dec Jin-Mch Api-Jne	69,08-56,50 62,70-59,40 56,20-56,50 67,70-67,80 60,40-60,76 63,20-63,50 65,60-65,80	56,80-55,90 58,30-58,50 50,90-91,00 63,80-63,80	0/ 

Saiss: 263 (95] 40ts of 15 tonnes, nil (same) lots of 6 tonnes. Physical dealing paces (buyers) were: Spot 49.50p (49.00p); Aug 51.50p (52.00p); Sept 51.50p (52.25p). SOYABEAN MEAL

The market continued to move higher as nonwed buying interest for the 1982 accounts found only scattered selling scale-up, reports C. Czamikow. The market opened around unchanged and drifted in thin conditions, reports T. G. Roddiek. Prices remained in ranges with lask of any fresh

	Yesterdys Close	+ or	Business Done
	e per tonne		•
August October Des	T62.00-52.4	-0.15 -0.58	
Feb April	185,00-85,9 185,60-87,4		Ξ

aOYABEAN CIL—The market opened unchanged in quiet trading end remained steady an mixed buying. Closing prices and business done (U.5. 5 per tonne]: Aug 436.00, 493.50, untraded; Oct 483.00, 485.00, 483.50; Esc 488.00, 487.00, 487.00; Feb 483.50, 494.00, 493.60; April 501.00, 503.00, untraded; June 504.00, 520.00, ustraded; Aug 506.00, 524.00, untraded, Sales: 12 (40) lots of 25 tonnes. SUGAR

No. 4 Con- tract	Yesterday close	Previous close	Business done
an	121,90-21,50 126,75-27,90 153,00-84,00 168,75-88,85 141,59-41,70	7 tonne 110,70-18,75 124,50-24,50 132,50-55,50 157,00-37,25 140,08-40,50 145,50-44,50	197,26-28,76 182,00 188,00-88,06

tonnes. Tate and Lyle delivery price lar granulated basis white euger was £405.90 (seems) a tonne for home trade and £22.50 (£13.00) for export. International Sugar Agreement (U.3. cents per pound) feb and stowed Caribbean ports. Prices for July 2. Oaily once 7.55 (7.63): 15-day awarage 8.86 (6.80).

LONDON DALLY PRICE—Raw euger £13.00 (£133.00) s tonne cit July-Aug shipment. White euger delly price £156.00 (£153.00).

**WOOL FUTURES** 

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seker, business). New Zeeland cents per kg. Aug 369, 375, 374,370, Oct 390, 383, 391,390; Dec 389, 402, 400,399; Jan 403, 404, 402,401; Mer 412, 416, 413-411; May 423, 428, 424; Aug 435, 437, 445; Oct 437, 442, nil; Dec 440, 444, nil; Jan 449, 444, nil; Sets: 68. SYDNEY GREASY WOOL.—Close (in order: buyer, eolier, business). Australian cents per kg. July 540.0, 542.0, 543.0, Coc 515.0, 518 change rates) is expected to remain unchanged.

LONDON GRAINS — U.S. Oerk Northern Spring No. 1 14 per cent Aug 111.50, Sapt 110.25, Oct 111.50 transhipment East Coast sellers. English Feed fob Sept 113.25, Oct/Oec 117.50. Jan/March 123 East Coast callers. Maize: French July 136 transhipment South Coast seller. South

#### PRICE CHANGES

. :	July 6 1082	+ 01	Month ago
Metals .			
Atuminium Free Mkt	£810/815 £926/956	<u>—10</u>	£810/816 \$815/946
Copper	2775.5	-6 _	£753,\$ £779,75
a mths	2797,5 2764 2786	-7.5	£745
3 mthe	\$310,5	-4.75	£770,75
a mths	£323:26	-8.25	£285.5 £304,26
Free mkt.,,,,,	£4080 238:262¢	**********	£3928 235/2660
Platin'mtr oz'y	£360 £154,45		£260 £169,55
Quicksilvert	#360/370		<b>\$366/876</b>
3 mths	339,80p		338,80p 550,25p
3 mths	25016 26740	-20	£6552 £6548 \$111,68
Fungsten22,9 ib			•
Wolfrm 22,4Nbs Zino Cash 3 mths	2408.8	-2.6	e1 19 116 e388.5
7 mths Producers			2398,25 \$880/900
Oils Coconut (Phil)	\$490v	2.5	\$506
aroundnut	3565v		\$380
Paim Malayan Seeds	<b>\$44</b> 8.5	-5	e610
Copra Ph lip	\$385	0.00	\$362.6 \$260.6
loyabean (U.S.) Frains			
BarlayFut. Sep	2136.00	-0.05 -0.5	£104.85 £136.00
Wheat Fut.Sep No.2HardWint	£110.06	+0,20	£108.60

+5 2918 +3 2917.5 +0 21154.5 -75.65c -2.25 2298.7e -0.5 81p +3 2103 597pkilo ‡ Unquoted. x Aug-Sept. u-June-July. v July-Aug. w Aug. † Per 76 lb fleek.

<ul> <li>Ghona cocoa. n Neminel.</li> </ul>								
INDICES								
FINANCIAL TIMES								
July 5	July 9	M'th	ago Y	'21 ago				
233,70	234,41	030	.80 2	54.34				
(ae	se: July	1 19	52 - 1	00)				
		UTER						
July 6	July 6	M'th	ago Y	'ar ago				
1550,4	1550.6	151	7.6 ( 1	786.4				
. (Beee:	Septem	oer 18	1931	<b>100</b> )				
	MO	ODY	5					
July 2	July 1	M'th	ago Y	ar ago				
1000,2	998.a	986	2,5 1	186,6				
(De	cember	a1 19	31 - 1	00)				
DOW JONES								
Jones	July	July	Month	Year				
	-	•	# <b>G</b> 0	ago				
Futre 1	03,05 1 25,09 1	22,48 23.78	123.50 123.60	<b>1</b> =				

COTTON

LIVERPOOL-No spot and shipment business was recorded. Operators were unwähing to trade and the peraintent rise in prices, due to the probable crop failure in Texas, was an important espect. Fresh dealings were sere, and demand was patchy.

(Base: Occember 21 1974 - 100)

POTATOES

LONDON POTATO FUTURES-The LONDON POTATO FUTURES—The market was nervous, opening lower but recovering during the afternoon, reports Coley and Hasper. Closing patcas: Nov 65.90, +1.10 (high 58.20, low 63.90); Feb 51.90, +0.60 (high 52.00, low 60.00); April 68.80, +0.80 (high 68.00; low 67.00); May 77.00, +0.80 (high 77.00, low 74.40); Nov 63.90, unchanged (63.00 only). Turnover: 325 (232) lots of 40 tonnee.

#### **AMERICAN MARKETS** April 50.00, June 51.40, July 51.10, Aug 49.10. Aug 49.10, ##Maize-July 280%-261 (264%), Sept 262%-262 (264%), Oac 263%-264. March 277%-277%, May 285%-26%, July 291%, Pork Bollies-July 76.55%-645 (78.12], Aug 73.57 (75.57), Fab 72.10, March 72.15, May 70.50, July 71.00, Aug 70.40,

NEW YORK, July 8
THE LIVESTOCK MARKETS ware sharply lower on anticipated aeasonal product weekness. Grains and aoys. beans were under heavy pressure due to producar hedging and trade selling following weather improvement. Sugar prices ralked on reports of further damage to the Soviet crop. Coffee declined charply as coel weather falled to develop in Brazil. Precisus metale and copper declined charply on arbitrage selling, reported Hainold.
Copper—July 59.00 (59.10), Aug 59.30 (69.90), Sapt 69.05-60.15, Dec 62.40-62.65, Jen 63.30, March 65.15, May 56.45, July 57.95, Sept 69.45, Occ 71.70, Jen 72.45, Merch 73.95, May 75.45. 5.45. Potatoes (round whites)—Nov 66.9. (18.39]. Aug 16.34-18.35 (18.54). Sept 77.9 (18.72). March 77.9 (1

67.0 (87.2), March 77.2 (77.3), April 87.2-87.1, Sales: 62, TSilver—July 563.5 (589.5), Aug 567.5 (594.0), Sept 572.0-577.0, Oec 595.0-800.0, Jen 605.9, Mertch 518.0, May 638.7, July 652.1, Sept 667.5, Oec 690.7, Jen 698.4, Merch 713.8, May 744.0, Handy and Herman buildion epot: 876.00 (594.00), Sugar—No. 11: Sept 8.45-8.47 (8.24), Oct 8.56-8.62 (8.37), Jan 8.60-9.00, March 9.56-8.59, Mey 8.80-9.83, July 10.02-10.03, Sept 10.20-10.25, Oct 10.35, Seles: 8.358.

Sales: 8,358. Tin-531.00-636.00 (539.00-546.00). CRICAGO, July 6
Lard--Chicago lease 21.00 (same).
Livo Cettie-Aug 63.35-63.20 (63.22).
ct 60.02-59.97 (60.65], Dec 60.85-60.90,
ab 60.45-60.55, April 60.40-60.25, June

18.50, Oct 18.65, Dec 19.00-18.98, Jan 19.21-19.23, Mar 19.56-18.58, May 16.75-19.65, July 16.90-20.00, 1Wheet-July 3391, (350), Sept 352-351 (362), Dec 372-3715, Mer 3842, 3841, May 38812, July 38313, WINNIPEG, July 6: §Barioy—July 122.6 (122.8), Oct 120.7 (121.6), Oec 12.7, Mar 125.8, May 127.5, "Geld—July 309.1 (312.5), Aug 311.2-311.8 (315.0), Sept 315.1, Oct 318.5-319.0, Dec 325.5-326.3, Fab 333.5-34.0, Agril 341.0, Juna 438.0, Aug 386.5, Oct 384.4, Oec 372.4, Feb 380.5, Auril 389.0. All Cents par pound ex-warshause unless otherwise stated. "S per troy

70,40, 15oyabsens—July 6033,-8033, (6073), Aug 8051, (811%). Sept 6065, Nov 610-611, Jen 6242,-6242, Merch 641, May 6542, July 8651, [Seyabsen Meal—July 175.6-175.9 (177.3), Aug 175.9-176.2 (177.5), Sept 176.5-176.7, Oct 177.0, Dec 181.0, Jen 183.5, Mer 188.1, May 193.0-193.5, July 197.0-188.0, Soyabsen Oil—July 18.22,18.21

51.85-51.85. Live Hogs—July 60.05-60.20 (60.02]. Aug 57.80-67.85 (58.60]. Oct 55.20-54.95. Oce 55.10-55.20, Feb 53.90-63.70,

# uniosa otherwise stated. "S per troy ounca. "I Cents per troy ounca. "I Cents per troy ounca. "I Cents per 55-1b bushal. I Cents per 60-lb bushal. II 6 per shall ton (? 000 lb). \$\$Can. per metric ton \$5\$ per 1,000 sq it. † Cents per dezen. If 5 per metric ton. **EUROPEAN MARKETS**

ROTTERNAM, July 6.

Winest—(U.5. S per tonne): U.S. No
Two Rad Winter July 151. U.S. No
Three Amber Burum July 173.50, Aug
176, Sept 179, Oct 163, Nov 186. U.5.
No Two Northern Spring 14 per cent
July 177.50, Aug 174.50, Sept 175,
Oct 177, Now 179.50. Camadian
Western Red Spring sloet 193, Sept 198. Oct 201. Nov 206.
Misize—(U.5. S per corne): U.5. No
Three Yellow spol 124.50, shoet 123,
July 121.75, Aug 122.50, Sept 122.50,
Oct/Oct 121.50, Jan/Mist 190 selfers.
Soyabeane—(U.S. S per tonne): U.5.
Two Yellow Guttperts slicet 243.50,
July 265.50, Aug 245.50, Sept 247.75,
Oct 243, Nov 263, Dac 248, Jan 254,

Feb 258, Mar 252, April 263 ections:
Soyamea!—(U.S. S. per tornel:
44 per cont affect 203 traded; affect
204, July 212, Aug 214, Sept 215.50,
Oct 216, Nev/Mar 224 setters. Pelitan
Brazil affect 215, July 215, Aug 219,
Sept 222, Oct 228, Nev/Mar 243 ectiors.
PARIS, July 8.
Cocce—(FFr per 100 kiles]: July
1020-1060, Sept 1107-1113, Oct 1651164, Marsh 1195-1205, May 1240-1250,
July 1280-1295, Sept 1310-1320, Sales
at acil: nil.
Sugar—(FFr per tonne): Aug 1875at sell: nil.
Sugar—(FFr per tonne): Aug 18751878. Oct 1740-1745. Nov 1730-1740.
Dec 1830-1885. March 1750-1755, May
1780-1800. July 1815-1830, Aug 18351840. Selce at sell: 2.

57.6p s kg (57.1p): 22-25.5 kg, 62.2p s kg (61.0]. Light cowe: 25.5 kg, 62.6p s kg (62.1).

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scokch kiffed sides 78.0 to 84.0; Ulister hindquerters 86.3 to 98.7, lorequerters 69.5 to 61.0, Vest: Outch hinde and ends 121.5 to 126.5. Lamb: English small 70.7 to 75.3, medium 69.0 to 72.0, heavy 64.0 to 68.0; hmports—New Zealand Pt. 62.5 to 63.7, PM 61.5 to 62.5, PX 59.3 to 60.3, Yt. 61.0 to 62.0, Pork: English, under 100 lb 38.0 to 54.0, 100-120 lb 43.0 to 52.5, 120-180 lb 42.0 to 50.1.

MEAT COMMITAZION—Average Fat-stock prices at representative markets. GB—Carde 101.4%p per kg lw (+0.48), GB—Shasp 148.4%p per kg ext dcw (-15.72), GB—Pigs 74.4%p per kg lw 1-1.47.

GRIMSBY FIRM—Supply good, demand good. Peices at ship's side (unprocessed) per stone: shief cod £4.00-£4.30, codlings £3.20-£3.80; large haddock £3.20-£3.80, medium £2.60-£4.20, small £1.80-£2.60; large piece £5.50, medium £5.50-£5.00, bef1 small £3.00-£4.00; skinned doglin (large) £9.00, (medium) £7.50-£3.00; lernon soles (terge) £8.00, (medium) £7.00; rockfish £1.80-£3.00; saithe £1.20-£2.90, \*\*

Runner Beans—Per gaund 0.50-0.50.
Appless—Per pound, Sramley 0.30-0.36,
Granediers 0.30. Strawberless—Per 802 0.25-0.40. Resphentes—Per 602 gask 0.10-0.20. Geoseberries—Per pound 0.20. Levellers per pound 0.25-0.50.
Cherries—Per 802 0.25. Black-currants—Per 802 0.25. Black-currants—Per 802 0.25. Black-currants—Per 802 0.30.
COVENT GARDEN — Prices for the bulk of praduce, in starting per peckage secagt whem otherwise stated imported Produce: Oranges—Jaffs: 20-kg Velensis Lates 56/50/75
5.25, 88 5.85, 105 5.90, 123 5.05, 144
4.50, 168 4.50; Moroccan: 16-kg Velensis Lates 48/113 3.80-5.80; Gutsops: Navels 40.5.50, 389-5.50; Gutsops: Navels 40.5.50, Gragefruit—Jaffs: 20-kg 41-50 3.60-2.00; Outgoen: 157-kg 89/180 5.00-8.50. Gragefruit—Jaffs: 20-kg 74.25, 32 4.45, 36 4.65, 40 4.90, 48 5.40, 58 5.35, 64 8.5, 76 4.95, 98 4.00; African: 27 4.60, 32 5.26, 36 6.55, 40 5.25, 48 5.40, 56 5.35, 64 8.5, 77 4.35—Ruby same as While Appless—French: Goldan Delicians 18-kg 5 60. ## GRIMSBY FIAH—Supply good, demand good. Peices at ship's side (unprocessed) per stone: sheef cod (unprocessed) per ston Primarchia Lienco Viciniconay outy is Lyon

# eting EIB issues \$100m bond despite market resistance

Sank (EIB) has managed to save, others criticised the timing favour. The EIB is not viewed aunch a \$100m 10-year Euro-lollar bond despite market lackinstre market) and others some market participants claim resistance. The bonds carry a said they were reluctant to join that many investors' portfolios to the price of the issue (given the as generous with its terms, and calculate bond despite as despite that many investors' portfolios are carred and others some market participants claim that many investors' portfolios are save and are already amply stocked with the first participants of the save carred to the save ca if 15.65 per cent

At Union Bank of Switzerland ecurities, the London leadnanager Mr Armin Mattle said 1 number of major Eurobond louses had declined to particisate. The offer to participate was made through a syndication technique viewed as slightly musual by many in the market. An invitation went out by elex to bond houses yesterday norming, offering three brackets of co-management—the houses wild participate with a \$7.5m. \$5m or a \$2.5m stake. The JBS telex also stated that the real could be as much as \$200m.

clock was set for replies from otential co-managers. Nearly all the major Londonsed Eurobond bouses declined

but would be scrapped if there

pere not enough takers to make to \$180m. A deadline of 2.

European Investment terms were somewhat aggres market sentiment is not in its

This last objection was exThe EIB's 164 per cent 1991
plained by a mejor Europond seasoned bonds yesterday
institutional investor who was traded at a middle price of
consulted about the issue. "I 1034, suggesting a yield of 15.92 don't think the EIB is a very per cept-welcome boxrower at this time. Prices Today you've got to be a little bit special and there is nothing night after a day of quiet outstanding about the offer."

Mr Mattle, of UBS Securities, confirmed that "a lot of the more prominent names in the market are missing." There were 19 comanagers in the deal many of them smaller European houses or Japaness and Gulf houses. "If people did not participate it was because they felt there was no momentum in the market and they were rejuctant to make an effort for the EIB," says Mr.

Although there is nothing public issue of this maturity, wrong with the borrower—EIB was priced at 71 per cent and to participate, citing similar wrong with the borrower—EIB was priced at 71 per cent easons. Some bankers said the remains a quality name— 994 to yield 7.59 per cent

link to fight off Jacobs

**Brewers** 

By Richard Lambert in New York PABST BREWING and Olympia

Brewing have agreed on an ingenious and highly complicated merger deal which is deigned to defeat the plans of a dissident investor to accure control of Pabst and strip out its assets.

Olympia, which is already subject to an agreed takaover bid by Pabst, announced yesterday that it was making a cash offer worth around \$100m for 49 per cent of Pabst at \$25 a share. In effect, the merged group is buying in its own shares in such a way as to lock out Mr Irwin Jacobs, who already owns around 16 per cent of Pabst and has offered \$22 a share for the rest.

Under the merger scheme, Pabst is offering cash for 49 per cent of Olympla and common stock in the new merged company for the remaining 51 per cent. Olympia is offering cash for 49 per cent of Pabst and the remaining Pabst shares will be exchanged for convertible preferred shares in the new company. These will be worth around \$18 a share and will not carry votes until they are con-

At that point, Pabst share holders will control roughly 70 per cent of the merged company and Olympia shareholders will

control the rest.

The idea is that Mr Jecobs will either take cash for his Pabst shares and go away, or be left with the preferred. If he decides to convert preferred stock into ordinary shares, he will be obliged to buy in all the other preferred shares before he can get at the underlying assets. And that, Pabst's advisers say, will take away all the profit that might be realised by liquidating the company.

Lehman Brothers, Kuhn Loeb.

which is advising Pabst, claimed yesterday that this was the first scheme of its kind. The two brewers had been overcapi-talised prior to the merger, Lehman said: after the deal which was a "fait accompli," the enlarged company would be left with some \$150m of debt and \$160m of stockholders

By rationalising the two companies' production and marketing facilities, it would be posexists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday July 13.

Closing prices on July 6 sible significantly to improve shareholders' returns on the re-duced equity, Lehman added.

OTHER STRAIGHTS | Issued | Bid Offer day week Yield |
Bell Canada 12 83 CS | 100 | 197 | 197 | 10 | 14 | 14 | 14 |
Can. Pac. 5 | 164 | 185 CS | 197 | 197 | 17 | 17 | 17 | 18 |
Crd. Foncier 174 89 CS | 20 | 1984 | 1994 | 0 | 0 | 17 | 23 |
Gaz Metro. 174 90 CS | 20 | 1994 | 1974 | 17 | 17 | 17 |
Q. Hyd. 167 89 (My) CS | 50 | 1994 | 1994 | 1994 | 17 | 18 |
Quebec Prov. 187 89 CS | 50 | 1994 | 1994 | 1994 | 18 |
Quebec Prov. 187 89 CS | 50 | 1994 | 1994 | 1994 | 10 |
Amro Bank 10 87 Fl | 150 | 1994 | 1994 | 10 | 10 |
Eurofine 107 89 Fl | 1995 | 1997 | 1997 | 10 | 10 |
Eurofine 107 89 Fl | 1995 | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 |
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See | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 | 10 |
See | 1997 | 1997 | 10 |
See Amca bids \$262.5m for Giddings

> AMCA INTERNATIONAL, a diversified industrial company formerly known as Dominion Bridge and the Canadian Pacific group's fastest-growing affiliate over the past five years, Giddings and Lewis, a machine tool group based in Fond du

Giddings common share—is Amca's second attempt to take over a machine tool company:

By Our Euromarkets

URUGUAY is raising a \$130m. market to belp refinance the debt of its bydroelectric project Comision Tecnica Mixta del Palmar.

Toronto Domin's 5-52 0-, 98-, 99-, 13/2 165-, 16.54 Average price changes... On day 0 on week 1-0-, 2000 19 day 9 on week 1-0-, 2000 19 day 9 da The loan, which is being handled on a "club" basis by Crocker National Bank, represents a cautious resumption of corrowing by Uruguay, which was effectively frozen out of the market by the Falklands crisis. Although it matures in one year, the credit can be extended on an annual basis for a maximum of three years. Each time it is extended the borrower will pay a 1 per cent extension fee, while the basic margin over eurodollar rates is 1 per cent. Uruguay's economy is beavily

one of the first casualties of the general contraction of lending to Latin America in the wake of the Falklands crisis. Rather than force its borrow

its maturing debt on a short term basis in the hope that the market for medium term credits Uruguay's total foreign debt amounts to some \$3.1bn, of which roughly \$1.5bn is public

CONTINENTAL ILLINOIS WARNS OF LOSS

# Government closes Oklahoma bank

BY DAVID LASCELLES IN NEW YORK

SEVERAL MAJOR U.S. banks deposits and 28,000 accounts. stand to suffer losses from the . The failure marks one of the closure yesterday of a rela- most serious collapses in the tively small bank in Oklahoms commercial banking industry which went into receivership in the most recent financial after its energy lending squeeze. Several savings banks business collapsed, sending have failed, but their problems more ripples through the are of a different order. already edgy U.S. financial Although the bank Although the bank relatively small, its failure will

Continental Illinois, the sixth largest U.S. bank and the one believed to have the largest exposure, announced that the closure would oblige it to report a loss for the second quarter of this year, though it gave no details. The Penn Square Bank of fee. a practice known as loan Oklahoma City was taken over participation.

speculation about its soundness. The Office of the Comptroller' of the Currency said the bank participation. had made large losses on its enargy loans and bad

participations. The largest share is believed to be held by Continental Illinois, which is based in Chicago and had been energy lending.

In a prepared statement, the Chicago bank said that it had affect other banks in two ways. Some large banks are believed large extraordinary addition to bave lent it money. our provision for loan losses" Potentially more serious. Penn which would force it into the Square Bank bad put together red for the quarter which ended bundreds of millions of dollars' last Wednesday. But the bank worth of energy loens and sold said it would still make a profit them off to large banks for a including the first quarter's

earnings of \$66.6m.
Chese Menhatten Bank of by Federal banking officials If these energy loans go bed. Chese Menhatten Bank of yesterday after several days of as appears to have been the New York also confirmed that case, the loss is borne by the it was exposed to Penn Square's bank which bought the failure but claimed losses which bought the would not be a significant Although the type and extant problem. of other bank's exposure was quarter of Chase's second quarter earnings bave already encountered funding problems. not revealed yesterday, bank- been wiped out by its \$117m The bank has about \$460m in ing sources said Penn Square after tax loss on the Drysdale

bad sold about \$2bn worth of Government Securities affair. Other banks exposed to Penn Square include Seafirst, the largest bank in Seattle, and benks in Chicago and Michigan. aggressively expanding its None had any immediate comment yesterday.

Penn Square appears to have been a victim of the sharp examined its loans and bad decline in energy prices which found it necessary to make "e has thrown the U.S. oll patch's energy boom into reverse and caused widespread failures. Concern for the security of energy-lending hanks has been expressed for some months now. Penn Square is believed to bave for the first half of the yeer, placed more than three-including the first quarter's quarters of its loan portfolio in oil and gas.

Its failure also adds to the growing unease of the U.S. financiel community which has been shaken by the Drysdaic affair and problems et other financial Institutions caused by a combination of record high Interest rates and economic

U.S. insurers

agree to merge

THE DRAWN-OUT bid battle

between American General and

NLT-in which both companies

were bidding for eech other-ended peacefully yesterday

when the two sides agreed to

a merger valued et roughly

\$1.5bn. The deal will create the

fourth lergest shareholder-owned insurance company in

the U.S., end the cighth largest

diversified financial company.

American General, which
started the bidding in April.

emerges as top company under

# rmland ph A & P back

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On the comme

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Ar June 1141 2

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the most of tel.

Mark that per

in the black Here's react lands FREAT ATLANTIC & Pacific rea Company (A & P), the J.S. grocery store chain, has eported profits of \$8.5m (23) Bittell, tiel for the tire up to the ent; tage of the perty rdine to the latest ents per share) for the first tuarter covering 16 weeks to June 19, on sales of \$1.4bn For the Minister of b  $(10^{\circ})_{1} = \kappa_{2n} (\frac{\pi}{2})$ are the on the p Office to a resi- $D_{i} = \{D_{i}(t) = \{D_{i}(t)\}^{d}$ was unebaused & MS. W. Buch Arter Printer temp

he first 13 weeks of last year, he group lost \$10.3bn (28 cents er share) on sales of \$1.7bn. The first quarter figures, showng the first profits A & P has arned since 1977, appear to be he result of the sweeping programme of cost-cutting Nearly 400 unprofitable supernarkets have been shut down or

# LuxFr 1.5bn loan package

bourg currency grows.

is a six-year loan bearing interest at a fixed rate of 141 per year roll-over credit at a margin of per cent over the one, three or six-month deposit rate for Luxembourg francs.

The package, which is led by Banque du Pacis et det Pays-Bas pour le Grand-Duche de nentale de Luxembourg may be increased because of strong de-

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market

Bankers in Luxembourg point as the popularity of credits to a growing attraction of deals denominated in the Luxen denominated in the Grand Duchy currency because of fears

Prices of Eurodolfar bonds

closed roughly unchanged last

trading. The market was firm in the morning, but drifted later on after the New York

Treasury bond market opened

In the D-Mark sector prices

volume. The DM 100m five-year 91 per cent New Zealand

issue has done well and was

priced ahead of schedule yesterday at 1004. In Switzerland prices were

unchanged on average in moderate trading. Natomas's

sed down to to point on lew ume. The DM 100m five-

weaker.

Such a split is now considered cent, while the other is a seven- unlikely, but banks are still keen to avail themselves of opportunities for local currency lending to protect themselves against exchange losses in tha event of a currency split at a later stage. The insurance value Bas pour le Grand-Duche de of such business is such that the Luxembourg and Banque Contiflow of Eurocredits in Luxembourg francs is likely to in-

# LuxFr 1.5bn in the Euromarket

The credit is in two equal of a possible split between the tranches of Luxer 750m. One Luxembourg and Belgian

# Braniff outlines debt problems

BRANIFF INTERNATIONAL Dallas, cargo facilities et St cant, tha principle involved is has made a regulatory filing of Paul, Minnesota, and title to important for the unsecured loability and asset schedules seven Boeing 727 and two creditors of Braniff Interwith a Federal bankruptcy court in Fort Worth, Texas confirmalizeraft, ing that unsecured creditors Branif face substantial losses if its reorganisation plan fail to gain

acceptance. The big test of this plan will come in 15 to 30 days, when Braniff Airlines, the main operating subsidiary, makes its regulator yfiling. Braniff International's filing

concerns the elimination of unsecured debt of \$144,000 due wholly owned subsidiary holding real estate interests in Realty are reletively insignifi-

Douglas McDonnell

in secured debt to a group of five banks. Braniff Internetional plans to clear Realty's debt by The - Federal bankruptcy handing over to the banking court will rule on the Realty plans to-clear Realty's debt by group a \$14m promisory note plus accrued interest of \$5.9m. This would wipe out Realty's secured debt, but the plan also alows for full repayment of

national, which include such ircraft names as Boeing, bolding debt Braniff Realty owes \$16.8m of \$93m, and UT Credit, a United Technologies subsidiary with \$7.5m debt.

> pian within 30 days. Neither Boeing nor UT Credit would comment yesterday.

> The plan indicetes afresh that payments to unsecured creditors hinge on Braniff's to reorganise operations and avoid final bankruptcy.

yesterday's agreement. It is offering \$46 a share in cash for some 15m NLT shares, and a mixture of fixed income and equity securities — elso worth \$46 a shere — for the rest.

Five NLT directors will be

appointed The deal is subject to the approval of both sets of sbareholders, as well as state insurance commissioners, the Federal Communications Commission and the Federal Home

Loan Bank Board. Apart from its insurance interests, American General has activitles.

# Airlines in lending agreement

BY OUR NEW YORK STAFF

CONTINENTAL Air Lines and agreed in principle with their owned by Texas Air, parent of to profitability. major bank lenders and most oter institutional lenders to restructure \$295m of long-term debt. Final ratification by shareholders of the merger beween the two companies is expected in two weeks.

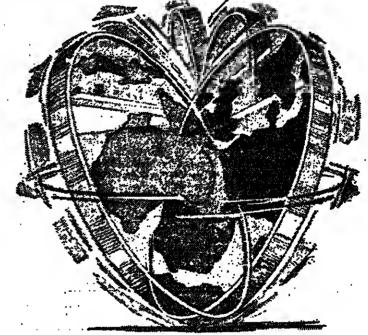
The agreement will free Con- important part" of the plans Texas International, from continuing with month-by-month amendments to its debt the year end. schedules. Mr Frank Lorenzo. Re-organisa chairman of Continental and president of Texas Air, de- trebled the number of available scribed teb agreements as "an connections through Houston

Texas International Airlines tinental, which is 51 per cent to bring both companies back Continental said its cash position bas been improving since Re-organisation of the sche-dules of the two companies has

a wide range of financial service equity amounts to \$1,2bn, NLT's main business is life and health insurance, and its shareholders'

#### OREX-MONEY MARKETS FOREX-MONEY MARKETS FOREX-MONEY MARKE

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# Bank of New South Wales

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Wellington Hong Kong Singapore San Francisco Tel:213236 Tel: 2232147 Tel: 2314404 Tel: 724035 Tel: 9499838 Tei: 9864238

anadian Pag. 14% 92 arolino Power 16% 89	60	941, 947, 100°, 101	0 +0-1	5.71
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on. Illineis 154 .03  Juka Pwr. 0/S 157 89  Jupont 0/S Cap: 0.0 90  CSC 144 87 (April)  ECSC 142 87 (June)	300	94° 96° 34° 34° 34° 34° 34° 34° 34° 34° 34° 34	+0° +0° 1 -0° +0° 1	6.77
CSC 144 87 (April)	50	963. 96T	_^1	5 75
/CSC 14% 87 (June)	30 150	99 994	0 0 1 -04 +14 1 +04 +24 1 -04 +04 1	5.75 5.63
ksportingna 142 86	400	954 954	+0% +2% 1	5.58
en. Elec. Credit 0.0.92	400			
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MAC O/S Fin. 15 87 julf Canadu Ltd 144 92	100	96 99	0 +1% 1 +0% +2 1	5.34 B.64
auf Oil 143, 94	175	974 974	+0° +1° 1 -0° +1 1 -0° +0° 1	4.67
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(Incorporated in the Netherlands with limited liability) Guaranteed on a subordinated basis as to payment of principal and interest by



Lloyds Bank Plc

(Incorporated in England with limited liability)

In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Plc, and Cltibank, N.A., dated July 2, 1980, notice is hereby given that the Rate of Interest has been fixed at 1318% pa. The relevant Interest Payment Date is January 6, 1983 (making an interest period of 184 days), and payment will be made against Coupen No. 4, and between the coupen No. 4, and between t

The value of Coupon No. 4 payable on July 6, 1982 is US\$136.76.

By: Citibank, N.A., London, Agent Bank

**CITIBAN(** 

U.S. \$15,000,000



The Industrial Bank of Japan, Limited London

Floating Rate London-Dollar Negotiable Certificates of Deposit due 7th July, 1983

In accordance with the provisions of the Certificates, notice is hereby given that for the six month Interest Period from 7th July, 1982 to 7th January, 1983, the Certificates will carry an Interest Rate of 16½% per annum. The relevant Interest Payment Date will be 7th January, 1983.

Credit Spisse First Boston Limited Agent Bank



Bank of India London Branch U.S.\$40,000,000

Negotiable Floating Rate Certificates of Deposit due 1987 retractable at the option of the holder to 1986.

In accordance with the provisions of the above Certificates; notice is beachy given that for the 6 months from 7th July, 1982 to 7th January, 1983 (184 days), the Certificates will carry an interest rate of 169%

The interest populie on the next interest payment date, 7th January, 1983, interspect of each US\$ 500,000 Certificate, will be US\$ 41,847.22.

This advertisement complies with the requirements of the Council of The Stock Exchange.

Banque Nationale de Paris

U.S. \$75,000,000

Floating Rate Notes 1987/1990/1994

The following have agreed to subscribe or procure subscribers for the Notes:

Samuel Montagu & Co. Limited

The Notes, issued at 100 per cent., have been edmitted to the Official List by the Council of Tha

Stock Exchange, subject only to the issue of the temporary Global Note. Interest is payable semi-

Full particulars of the Notes ere available in the Extel Statistical Service and may be obtained during

usual business hours (Saturdays end public holidays excepted) up to and including 21st July, 1982

Hoere Govett Ltd.,

London WC1V 7PB

These securities have been offered and sold outside the United States of America

US\$50,000,000

Hapoalim International N.V.

(Incorporated with limited liability in the Netherlands Antilles)

**Guaranteed Floating Rate Notes 1987** 

Unconditionally and irrevocably guaranteed as to payment of principal and interest by

Bank Hapoalim B.M.

(Incorporated with limited liability in Israel)

ISSUE PRICE 100 PER CENT.

The following has underwritten the above issue:

Bank Hapoalim (Cayman) Ltd.

Haron Houaa, 319/325 High Holborn,

annually in July and January, tha first payment being made in Jenuary, 1983.

**Bank of China** 

S. G. Warburg & Co. Ltd.

Kuwait International Investment Co. s.a.k.

Mitsui Trust Bank (Europe) S.A.

**Sumitomo Trust International** 

Lloyds Bank International

**Arab Banking Corporation (ABC)** 

Sanwa Bank (Underwriters)

from the brokers to the issue:

7th July, 1982

**NEW ISSUE** 

Lehman Brothers Kuhn Loeb International, Inc.

**IBJ** International

Limited

# Fiat continues on the road to recovery

BY RUPERT CORNWELL IN TURIN

overall profits for 1982.

The outcome should be similar to last year when consolidated earnings are likely to have been about L50bn to L60bn countries. (\$43m), said Sig Giovanni Agnelli, chairman, yesterday. This was a small figure when compared with Fiat's sales and the volume of its employed

assets, be said after the annual But a second soccessive year in the black will be further evidence of the Turin-based

FTAT, FTALY'S biggest molor company, is expecting "modest" accounts, which will be drawn the group — after its recent of total turnover, Sig Agnelli streamlining and productivity accountants, and will cover 450 gains—would be able to weather companies operating in 60

> L20,000bn from the previously earliest. announced L22,000bn, as a result of the exclusion of certain associated companies less than 51 per cent controlled by Flat, above all in the civil engineerinvestments

L1.000bn when its total losses reached L240bn.

Details of the 1981 results will not be known until September, when the group presents its first consolidated

Agneili said. Overall debt was owned Finsider concern.

There were no plans for a rise in capital of Fiat SpA, the group holding company, from the group basis.

Sig Agnelli was confident that entirely

successfully the present slump in world car markets, A

retrenchment programme of tors with last month's surrender of control of Sevel, its troubled Argentinian car affiliete, and of the agreement (still not ratified) last year were to transfer much of its Teksid self-financed, Sig steel division to the state-

recent withdrawal by both pri-vate and public employers in On a properly conslidated recovery, be indicated, was un- Italy from their 1975 agree-hasis, turnoverr will drop to likely before next year at the ment with the unions on wage indexation — an issue which Flat had completed its threatens the survival of the retrenchment programme of one-year-old coalition Govern-disposing of loss-making sec-ment headed by Sig Giovanni Spadolini. Both sides still had six months to reach a substitute agreement, and there was no reason why they should not do this, said Sig Agnelli. Shareholders yesterday ap-proved Fiat SpA's 1981 net

profit of L97bn, up from L51bn in 1980. As previously an-nounced, the 1981 dividend is being increased to L140 per share from L125 the year



Sig Giovanni Agnelli, chairman of Fiat

CGE increases

consolidated

profits by 5%

# Chiu family in Far East reorganisation

Finnish insurance group

POHJOLA, the Finnish insur- offers. Life insurance business

ance group, reports another ran ahead of the inflation and year of steady progress with the therefore "indicated real net surplus for 1981 improving growth."

nearly a sixth.

Non-life premiums performed
better than the average for the

last years microases in

operating expenses stemmed
largely from staff costs which
in turn were hampered by a

strike lasting several weeks. At

Finnish insurance industry December 31, the group balance helped by Pohjola's range of sheet totalled FM 4.6bn, against jubilee year special rating FM 4.1bn a year earlier.

improves net surplus

FAR EAST Consortium, the ment diversified Hong Kong groop Det controlled by the Chiu family, are: to concentrate its

and development.

Certain financial, property
and flour-milling interests held
hy FEC will be injected into a
subsidiary, Cheong Sun
Developments, which will in
turn sell property to FEC. The
Chiu family will then buy from
Cheong Sun an option to purEFC Dt 93 par cent interest in
chase 100m deferred charge in FEC its 93 per cent interest in Cheong Sun, but with the intention of substantially broadening
Cheong Sun's shareholding base over the next six months. The

Madison at HK\$1 each.

FEC will also sell to Cheong Sun the capital of Far over the next six months. The

East Flour Mills for HK\$11.8m deal does not affect the Chiu cash. family's other quoted vehicle,

to FM 20.2m (\$4.3m) from

FM 18.7m in 1980, Premium income is 15 per

cent higher at FM 1.42bn and

investment income has been

almost as buoyant—rising by 13 per cent to FM 271m. But claims

experience worsened, and operating expenses jumped by

**Hambros Bank** Limited

Details of the re-organisation Cheong Sun will sell to interests in property investment FEC a package of property and development. FEC a package of property and property interests for

chase 100m deferred shares in

cash.

The Chiu family will transfer into Cheong Sun a 36 per cent option would take FEC's Far East Hotels and Entertain- into Cheong Sun a 36 per cent option

than premiums and as a result "profitability deteriorated some-what." Nominally, however, the

group companies achieved a result equal to that of 1980, the

company says Last year's increases in

interest in FEC, in exchange Madison holding up to 43 per for which the family will receive 39.65m new shares in Cheong Sun, valuing the FEC holding at HK\$237.9m.

The Chiu family will buy from FEC its 93 per cent interest in Cheong Sun at HK\$6 per share. The total consideration of HK\$202.8m will be met

with HK\$38.8m cash and the repayment of HK\$164m owed by FEC to the Chiu family. The effect of the reorganisation will be to give the Chiu family 98 per cent of Cheong Sun. Cheong Sun will in turn bold 36 per cent of FEC, and

code normally requires a full bid where more than 35 per cent of a company is acquired by one party. The takeover committee bas, however, waived this obligation where it would bave arisen during the reorganisation.
The Chiu family will, how-

. The Hong Kong takeover

ever, offer to buy any outstanding Cheong Snn shares through the market at HK\$6 each, for two weeks following comple-tion of its proposals. It then plans a gradual reduction of its Cheong Sun holding, and bopes to see the shares more actively

#### **Dynamit Nobel expects** to return to the black

BY OUR FINANCIAL STAFF

DYNAMIT NOBEL, the West from armaments to paper pro-German chemicals and ducts.
explosives group which is part
of the Flick industrial empire. expects a recovery for 1982

following losses in 1981.

Last year Flick was forced to absorb a loss of DM 38.5m (\$16m) by Dynamit Nobel, which in 1980 did not pay a dividend to its parent company dividend to its parent company. However, for 1982 Dynamit Year.

Nobel says earnings will be The such that Flick will not be comnet properties. pelled to absorb further losses.

 German Texaco's 1982 first half losses in the oil business are too big to be offset by profits in other areas, Mr Armin Schram, managing board chairman told a sbareholders meeting. He declined to make an earnings forecast for the full

The company reported 1981 net profits of DM 165m (\$68m) down from DM 207.3m a year Flick, which is one of the earlier. The result was achieved biggest family businesses in on revenues of DM 10.9bn, up Germany, has interests ranging from DM 9bn in 1980.

Association of Great Lakes

GUINNESS, MAHON & CO.

has appointed Mr Sharyar Aziz a director. He was formerly of

First Boston Corporation of New

York and Project Finance UK and has joined Guinness Mahon

• From July 1 Mr Alexander

Rintoul has been appointed representative, Sydney office, for NORDIC BANK, Nordfinanz-Bank, Zurich, Copenhagen Han-delsbank, Den norsk Creditbank,

Kansallis - Osake - Pankki and Svensa Handelsbanken, Before

joining Nordic Bank Mr Rintoul

was assistant director at Amex Bank, London From September

Mr Haakon Sveazs will be appointed assistant representa-

tive, Sydney office, with particular responsibilities for

Asia Pacific, in London, and has

임임면

ANGLO AMERICAN

COAL CORPORATION

LIMITED

(incorporated in The Republic

of South Africa)
The board of Amoual announces

that the company has been

granted a provisional export allocation of 4 million metric tons a year of bituminous coal for 30 years under the proposed Phase IV A export programme through Richards Bay.

This allocation is additional to

the company's entitlement under the Phase II and Phase III pro-

grammes totalling 6 million tons. In addition, when account is taken of the company's bene-ficial participation of some 5

million tons in the export entitlements of the Transvaal

Coal Owners Association and the Anthracite Producers Asso-

ciation, the company's overall

allocation in the Republic's

export programme is 15 million

July 7th 1982

U.S., Guinness Mahon Inc.

Ports (IAGLP).

#### introduced fifth week of paid holidays, said the group. Also excluded from the profits figure is a net FFr 55.5m realised on asset sales, compared with FFr 61m in 1980. Cash flow amounted to FFr 2.2bn against FFr 2.1bn.

CGE's profits are the bighest to have been declared for 1981 by any of the fiva industrial groups nationalised under the Government programme which came into force this spring. Saint-Gobain, the glass and pipe manufacturing group, made profits of FFr 450m, but the other three — Rhone-Poulenc, Thomson-Brandt and Pechiney-Ugine-Kuhlmann, all made

Sales at CGE, however, went up by much more than profits, reaching FFr 56.3bn, an increase of 23 per cent.

#### Big loss for Kleber despite cash injection

Vanctured in the West Country July 7 1982

By Terry Dodsworth in Paris

KLEBER - COLOMBES, the troubled French tyre com-pany, lost FFr 288m (\$42m) last year despite efforts to trim costs and the injection of substantial new funds by Michelin, its main share-holder. This compares with a loss of FFr 79m in 1980.

The company partly blames the heavy criticism brought to bear on one of its products by a French consumer asso-ciation for the continuing poor performance in 1981. But the losses also reflect the slump in the French motor industry last year, which led to consolidated losses of FFr 290m at Michelm, the country's leading tyre manufacturer.

Last year's erisis at Kleber, the culmination of years of unprofitable operations and abrtive attempts to try to find a stronger partner, finally led to the takeover by Michelin. The larger group subscribed FFr 505m of new capital through a rights issue which

COMPAGNIE Generale d'Electricite (CGE), the recently-nationalised French electrical left it in control. Michelin has since drawn np a rescue plan which envisages the injection of

and engineering conglomerate, increased its consolidated profits by 5 per cent to FFr 586m (\$86m) last year. The results would have been substantially higher without a further funds both hy the parent company and the State. A total of FFr 600m is involved, of which half will special charge against profits of FFr 72m made for the newlycome from the tyre group in capital increases of FFr 100m-spread over the three years np to 1984. These sums are to be matched by Government

aids and loans which will also be made over to Kleber The overall aim of the reorganisation plan, which involves reducing the company's 8,000 workforce by about 2,000, is to pull Kleber back into profits by 1985. Transactions at the Bonrse were halted abortly after the opening yesterday as owners of small and medium sized businesses protested against recent Government policies, writes our financial staff. The demonstrators said they were angered by the Government's decision to freeze prices and wages over the next four months

JIR(

LEVERAGED CAPITAL HOLDINGS N.V.

Curação, Netherlands Antilles

Notice of Annual General Meeting of Shareholders

Notice is hereby given that an Annual General Meeting of Shareholders of Leveraged Capital Holdings N.V. has been called bij the Manager, Intimis Management Company N.V. The Meeting will take place at the offices of the Company, John B. Gorsiraweg 6, Willem-

stad, Curação, Netherlands Antilles on 30th July, 1982 at 10.00 a.m. The Agenda, the Annual Report for 1981 and further details may be obtained from the offices

of the Company or from the Paying Agent mentioned hereunder. Shareholders will be admitted to the meeting on presentation of their certificates or of vouchers, which may be obtained from the Paying Agent

against delivery of certificates on or before 23rd July, 1982.

Willemstad, 7th July, 1982. INTIMIS MANAGEMENT COMPANY N.V.

Pierson, Heldring & Pierson N.V. Herengracht 214 Amsterdam.



#### **Thomas Warrington** & sons plc

Summary of results to 31 December 1981

Total dividends of 5.60p per share for 1981 represent an

18.28% increase on the previous year Order book again at record level • Improved liquidity

The company is in a very strong financial position

	1981	1980
	2003	£000
Turnover	10, <del>36</del> 1	9,096
Profit before tax	613	312
Taxation charge (1980 credit)	241	(233)
Profit after tax	372	545
Shareholders' funds	3,853	3.047
Final dividend (per share)	3.85p	3.5709p
Earnings (per share)	12.38p	18.13p
		TOTTO

The Annual General Meeting of the Company was held at Chester on 6 July 1982. Copies of the Report may be obtained from the

Thomas Warrington & sons plc General building and public works contractors PO Box 26, Rossmore Road East Ellesmere Port, South Warral L65 3AT

INTERNATIONAL APPOINTMENTS

#### President for Dunlop U.S. company

• Mr Brian Simpson, who for the past 18 months has been director, Dunlopillo Europe, for Dunlop Limited, relinquishes this appointment in July to become president of DUNLOP to 1970.

SPORTS COMPANY, U.S. Mr Mr Mr M SPORTS COMPANY, U.S. Mr
Simpson was made general
manager of Dunlopillo industrial division in 1974. In 1978
ho took responsibility for both
retail and industrial operations
on his appointments as general
manager, Dunlopillo UK. He
bocamo director, Donlopillo
Europe et the end of 1980 when
a new structure gavo him

Mr Marc Henrion has been
named executive vice-president
wine production of THE
SEAGRAM CO., Montreal,
Mr Henrion has been
named executive vice-president
wine production of THE
SEAGRAM CO., Montreal,
Mr Henrion has been
named executive vice-president
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SEAGRAM CO., Montreal,
Mr Henrion has been
named executive vice-president
wine production of THE
SEAGRAM CO., Montreal,
Mr Henrion has been
named executive vice-president
wine production of THE
SEAGRAM CO., Montreal,
Mr Henrion, who is president
of Seagram European Wine
Operations, will continue to
supervise directly Seagram
wineries in Italy, Spain, Portugal and France and will remain
president of Barton and Guese new structure gave him overall responsibility for coordinating Dunlopillo operations throughout Europe.

 CHROMALLOY AMERICAN CORP ST LOUIS, has appointed Mr William B. Stevens as president and Mr Norman E. Alexander was named chief executive officer, following the retirement of Mr Frank P. Nyklel from both positions. Mr Stevens will continue in his current post of

plete his term of office as cations Inc, has been elected Governor of BANK OF chairman of PANAVISION IRELAND on July 31. He will INC, a subsidiary.

continue to be a director of the Bank. His successor as Governor, for a term of three years, will be Dr D. S. A. Carroll, who has been appointed a Deputy Governor in addition a Deputy Governor in addition to Mr Robert C. Lewis-Crosby. Dr Carroli was formerly Governor of the Bank from 1964 • Mr Marc Henrion has been

president of Barton and Gues-tier, a Seagram subsidiary which is France's largest wine exporter. Mr Henrion will con-tinue to be based in Paris.

THE EL PASO CO., Houston, has appointed Mr D. W. Cowan, Mr M. C. Holland, Mr D. J. Maciver, Mr James Malone, Mr R. A. Montgomery and Mr J. T. Thompson have been elected vice-presidents of El Paso Natural Gas Company,

relationships with Nordic com-panies in Australia and New Zoaland. He was previously Nordic Bank's regional manager, man. The appointments are subsidiary. spent several years in the bank's offices in Hong Kong and Singapore.

from July 1.

• Mr Jac Holzman, senior cousultant to Warner Communi-



#### CELANESE MEXICANA, S.A.

(Organised under the laws of the United Mexican States) Six Month Notes Issued in Series under a

Notice is hereby given that the above Series of Notes issued under a Note Purchase Facility Agreement dated October 20, 1981, carry an Interest Rate of 16%% per annum. The Maturity Date of the above Series of Notes will be January 6, 1983.

iuly 7, 1982 By: Citibank, N.A., London, Issue Agent

CITIBANCO

100 Park Avenue, New York, NY 19017 have pleasure in announcing the opening of their International Representative Subsidiary on 6th July 1982

Note Purchase Facility

3rd Floor, Pembroke House, 40 City Road, E.C.1 Telex 261238 Telephone 01-253 3810

Officers and Directors:
M. J. Haims P. T. Sotiriou J. Lawton D. J. Cooley
J. Rawdon (US) H. Curd (US) Ronald Leeds (US) R. D. R. Robinson A. L. T. Smith A. C. D. Siggins

U.S.\$40,000,000-SERIES 06

U.S.\$125,000,000

Jesup & Lamont

#### Jesup & Lamont International Ltd.

# South African building societies hit back

societies are realing from a series of blows which they are: unlikely to survive in their present form. They have emerged as the main victims of a near revolution in the country's financial markets over the past three years. This is the result of government policies which have made the cost of money increasingly volatile and have sharpened competition for deposits. The rate on one-year deposits, for instance, has jumped from 9 per cent to 16 per cent in the past 18 months.

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The sociefies are also under the scrutiny of two official com-Last west which to the state of missions, and the eventual ways in which they will conduct their business will not be known until these publish their reports, probably in the next nine months. The de Kock Commission is reviewing the South atternial in its be-African financial system in general, and the du Plessis Commission more specifically the work of the societies.

The societies have mounted vigorous campaign to convince their critics that they are still o force to be reckoned with, both as providers of home finance and as a secure and convenient heven for investments. A regular newsletter is the latest tactic in their public

relations effort. The South African building rate has been kept well below later the contributed 33.9 per 27 per cent less than during ciety movement is the world's other lending rates. If cent. society movement is the world's fifth largest, after the U.S. Britain, West Germany and Brazil. Assets totalfied R14bn (\$12.3bn) at the end of March. West Germany and and the societies provide 80 per cent of the finance for ourchases of new homes. Their 4,600 branches and agencies attract more than 40 per cent of the public's savings in nongovernment institutions.

The sbarper swings in

interest rates have arisen from the Government loosening banks, they are allowed to offer controls on them, as part of tax-free investments carrying its efforts to make the economy

has arisen from more restrictive monetary policies.

1,500 Rates

1,000-

500-

DEPOSITS

NETINCREASE

1977 78 79 80 81

prime overdraft rate of 20 per

the societies is that, unlike the

of 14.2 per cent

banks and building societies, investors have increasingly fixed deposits. Building societies are Fixed deposits accounted for fighting under a handicap. The 25.4 per cent of the societies

moved to, higher yielding Fixed deposits accounted for loans substantially.

SOUTH AFRICAN BUILDING SOCIETIES

. 1977 '78 '79 '80 '81 .

their funds (drawn mainly from small savers) with invest-

ments from large institutions.

The societies' plight is shown

SHARES

600-

400-

other lending rates. It cent.
currently ranges between 13.25 Meanwhile, the societies are
per cent and 15.75 per cent.
depending on the size of the in the late 1970s to augment
bond, compared with banks their finds (drawn mainly

The Allied Building Society. As competition for deposits South Africa's second largest, increased, these institutional

at present collects a mean rate funds were placed elsewhere.

The main concession made to in recent statistics from the he societies is that, unlike the societies themselves. With-

low mortgage rates have forced

the societies to curtail new advanced R25on to bouse politically sensitive mortgage famds in April 1980. Two years buyers in the year to March,

NET NEW

1977 78 79 '80 '81."

A sharp increase in house prices has raised the average

value of bonds, enabling the societies to grant fewer loans. The number of new mortgages

was more than halved last year,

compared with 1980. While the

The number of new mort-

needed to fund each loan.

MORTGAGE LOOS

competition between deposit keep pace with the overall Net withdrawals were Room in business are becoming increase taking institutions, notably surge in interest rates, and February, for instance. ingly visible. The United, the The shortage of funds and largest society, took over a nortgage rates have forced smaller competitor earlier this year in what was clearly a rescue operation.

The societies . normally increase the mortgage rate only after seeking the approval of the Minister of Finance. But last month two of the smallest institutions broke ranks and pushed up their rates by 0.5 per cent without official sanction. "Our need was greater than our fear of the Minister," says Mr Ron Mumford, managing director of the Eastern Province Society, one of those

involved. Other societies are expected to raise mortgage rates again in coming weeks, to staunch pressure on their reserves.

To a certain extent, the societies problems arise from the business cycle, and will subside when competition for funds abates, probably towards the end of 1982.

But in the new climate of free markets and fast-moving interest retes, the artificially low mortgage rate stands out Dodds chief executive of the Allied Building Society, echoes several of his colleagues: "I think there's going to be a far more volatile mortgage rate in

A gradual cutback of societies' tax-free investments. is the corollary of e freer mortgage rate. Mr Dodds estimates that the mortgage rate would rise to 17 per cent if tax-free benefits were withdrawn now.

investments of four savers pro-The problem for societies is vided an average mortgage two that es the mortgage rate moves years ago, eight savers are now towards other lending rates, banks will become increasingly interested in home loans. One banker predicts that property will be the fastest growing area of South African banks' business in the 1980s.

#### Compagnie Française des Pétroles

TOTAL Group — Compagnie Française des Pétroles in 1981 Annual Shareholders Meeting of 25 June 1982

- Growth in exploration activities
  - Good results in the industrial co-operation sector
  - Shrinkage in refining and marketing operations
  - Pursuit of diversification

In his address, the president, M. Réné Granier de Later, reasserted the Total group's determination to accomplish its mission of purveyor of energy in all forms. This pre-supposes, he emphasi financial resources be not affected by unjustifiable and intolerable losses and that the industrial role the group is to play be clearly defined. In this regard, he reminded the meeting of the group's willingness to transfer its assets in ATO and Chice Chimie on an equitable basis.

political and economic uncertainty makes it impossible to make any forecast of results that would be valid for the whole of the current year. However, in the refining and marketing sector, after a bad first quarter, results are showing appreciable improve-

Growth in exploration activities

Outlays for exploration rose from FF1.5 billion in 1980 to FF2.5 billion in 1981. Exploration was ective on recently acquired permits l'Angola, Argentina, Cameroon, China, Egypt) as well as on older ones. New discoveries were made and others confirmed in Italy, in the North Sea, in Chine, in Argentine, in North America, in Egypt and in Cameroon. The production subsidieries turned in high

Good performance in the industrial co-operation

Contracts signed during these last years continue to be fulfilled in Norway, Algeria, Abu Dhabi, Sudan-and in Argentina. New contracts were signed with India and Venezuela.

Shrinkage in refining and marketing The year 1981 was marked by a new and a falloff in oil consumption which, with the inadequate prices of products, brought ebout deterioration an refining results, in France as well as in most of the

other European markets and in the United States. Added to the consequences of the overoll economic situation were the effects of price controls particularly in France and in Italy.

Pursuit of diversification

Pursuit of diversification

Gas production coming to CFP in the North Sea, in
North America, in Abu Dhabi and in Australia again
rose in 1991. The company continued its operations
in the coal sector where it acquired new mining
interests, particularly in the USA. In the uranium
sector, prospecting was extended in the Sudan and Canada and new reserves were acquired.

Results and dividend " "

CFP (parent company) not earnings amounted to FF407 million compared to FF993 million in 1980 and servings distributed to FF409 million against FF489 million in 1980. The total yield per share came to FF22.50 (dividend plus tex credit). Date of dividend payment; 2 July 1982.

ne figures on the group: (in billions of francs) 1981 1980 Earnings . . . . . 0.9
Net Investments . . . . . 5.8

The brachure "Compagnie Francaise des Petroles end the Group in 1981" is available, in Franch and English, from the Service Department, 5 Rue Michel Ange -- 75781 Paris Cedex 16 -- Franca.

#### gages granted was more than 200,000 in the year to March, drawals exceeded total inflows tax-free investments carrying in January and February, and 1981, and down to 95,000 in the its efforts to make the economy interest rates as low as 9.5 per have been higher than new year to last March. more responsive to market cent. However, yields on the investments in taxiree shares. The strains of Japanese boom in Australian dollar bonds

BY RICHARD IC. HANSON IN TOKYO

bonds have replaced Canadian April among the big insurance Australia and U.S. bonds as the hottest companies when fund managers. Australia selling foreign investment in launched a search for the Japan. In recent days, Australian bonds may have accounted for as much as half of Japan's overseas investment

The extraordinary boom in

# LAFARGE COPPEE

The dividend is payable as from 7th July, 1982, against presentation of coupon oumber 40 or of the Sicovam coupon certificate or upon endorsement of the registered certificate. The dividend is payable at certain banks and credit institutions in France, a list of the names end addresses of which is evailable at the offices of Kleinwort, Sensor Limited, 20 Fenchurch Street, London, EC3P 3DB. The new shares issued to exchenge for the assets of Societé Industrielle et Agricole de le Somme are not eligible for this

in general, shareholders who are not resident in France suffer with-holding tax on the dividend et the rate of twenty-five per cent, and do not receive the avoir fiscal. But, if the benefit of the double tax treaty between the United Kingdom end France can-be claimed by e share-holder (and in general terms the benefits of this double tax treaty is only available if the shareholder is a resident of the United Kingdom and subject to tax in the United Kingdom on the dividend). (i) the rate of withholding tax is reduced to fifteen per cent. and (ii) the shareholder (being an individual or a company) may be able to recover from the French euthorities the emount of the avoir fiscal reduced

Thus, in cases where both the payment in respect of the avoir fiscal end the reduction of with-holding tax to fifteen per cent. can be cleimed, shareholders will receive, prior to the incidence of United Kingdom taxatimn, en amount equal to 127.5 per cent. of the dividend payable by the Company, being the dividend together with the evoir fiscal as a modern of the payable with bedding both ere reduced by withholding.

by withholding tax of fifteen per

Claims for relief under the double tax treaty should be made on the appropriate forms obtainable from the inspector of Foreign-Dividends, Inland Revenue: Block 2. Lynwood Road, Thames Dicton. Surrey KT7 0DP.

Shareholders who are in any doubt as to their individuel tax position are strongly advised to consult their professional advisers.

#### PAN HOLDING

The unconsolidated net asset value as of June 30, 1982, emounted to US\$153.96 per emounted to US\$153.75 per share of US\$50 par value. This value was before payment on July 1st, 1982, of e dividend of US\$4 per share. The consolidated net asset value per share amounted es of June 30, 1982; to US\$156.80.

highest yields available on the international capital market.

The companies were inspired to do this after the Finance Ministry informally asked for restraints on the total amount of funds to be newly invested

HIGH YIELD Australian dollar Australian bond sales began in per cent coupons available in pressure to help the yen. Australia's main attraction is

the 1 per cent or so gap now existing between its bonds and those issued in the U.S. and Canada. The Australian dollar also poses somewbat less of an exchange risk · Purchases from April onward

have amounted to roughly A\$100m-200m (U.S.\$102moverseas to reduce downward A\$100m-200m (U.S.\$102m-pressure on the year Insurance 1204m). Securities companies: companies appear to be limit- estimate that purchases in July ing overseas investment to a could be over A\$100m. ceiling of 10 per cent of freshly What makes the buying stand zero coupon Eurobouds, which

available assets. The biggest out, however, is that purchases portion of the rest of these of foreign bonds in general bonds, which currently yield April, which the Finance ing up to 15 per cent of the about half the 16 per cent to 17 Ministry began applying bonds issued in Australia.

In March, net overseas bond purchases, totalled U.S.\$870m. By May, the pace was about half that and there appears to have been a further drop last month. Securities houses have so far kept the volume of Australian bonds on sale in Japan to well below the level which might arouse the interests of the

smarting from a sharp knuckle rapping from the Finance Ministry over excessive sales of have been banned since March. Even so, it is estimated that Finance ing up to 15 per cent of the new

# Steady progress by Kirsh companies

BY OUR JOHANNESBURG CORRESPONDENT

THE QUOTED operating and end-April on turnover of dend and no earnings

R541m.

earned

Cor. Eloff and Albert Streets.

Johannesburg, July 7, 1982.

chain, on behalf of Kirsh. in the 16 months to a share, compared with no divi- is owned by Kirsh Industries.

THE QUOTED operating and end-April on turnover of dend and no earnings holding companies in the R551m. Metro corporation, which unquoted Kirsh Industries on March 1, 1981. Coki owns 96 per cent of Metcash group have reported sound results in their trading periods acquired 30 per cent of Dion, and 86 per cent of Coki, earned sults in their trading periods acquired 30 per cent of the furniture the 14 months ended April 30. S3.3 per cent of the furniture the 14 months ended April 30 and las declared a total diviand-carry wholesale arm, earned in eddition, on December 1, dend of 161 cents from per pre-tax profits of R25m (\$22m) 1981, Coki ecquired o 49 per share earnings of 392 cents. In the 14 months ended April cent interest in Union Wine, the Kimet, whose main asset is 30 on sales of R333m. In the liquor producer and retailer. S0 per cent of Metro Corporation, which metro corporation, which on Metro Coki, earned the furniture the 14 months ended April 30 and las declared a total dividend the second transport of the furniture the 14 months ended April 30 and las declared a total dividend the furniture the 14 months ended April 30 and las declared a total dividend the furniture the 14 months. It chain, on behalf of Kirsh.

Coki, which has a number of ... Coki has declared a total of 17 cents from earnings of stakes in retailing companies, dividend of 11 cents a share 46.2 cents e share. Just over earned e pre-tax profit of from earnings of 30, 25 cents 50 per cent of Kimet's equity

has declared a total dividend

This advertisement appears as a matter of record.

July 1, 1982

750,000 Shares

# First Interstate Bancorp

Common Stock

We received these shares, together with approximately \$6,700,000 cash, in exchange for \$30,000,000 aggregate principal amount of 714% Convertible Subordinated Debentures Due 2004.

The First Boston Corporation Goldman, Sachs & Co.

# East Daggafontein Mines, Limited

#### COMPANY ANNOUNCEMENT

The Boerd of Directors of East Daggafontein Mines, Limited announces that the Company has, subject to members' confirmation and other conditions, entered into an agreement on June 29, 1982 with Egoli Consolidated Mines Limited ("Egoli") in terms of which the Company will ecquire the entire issued share capitals of two of Egoli's subsidiaries, nemety Egoli Mining Company (Proprietary) Limited and Johannesburg Exploration and Mining Corporation Limited, as well as all of Egoli's claims against those Companies. As consideration therefor the Company will pay Egoli R1,200,000 in cash and issue to Egoli 1,000,000 new ordinary sheres after the proposed increase of capital referred to below. The sole assets of these two Companies are a surface rights permit and cartain dump permits in respect of gold-bearing slimes dams situate on the farms Modderfontein 76 IR and Daggafontein 125 IR. It is estimated that these slimes dems contain 23 million tonnes at a grade of 0.4 grammes of gold per tonne, and 43 million tonnes at 2 grade of 0.63 grammes of gold per tonne, respectively. The acquisition will result in this Company's total estimated reserves being increased to 139,000,000 tonnes of slimes, It is not possible at this stage to say what effect this ecquisition will have on the Company's earnings. ecquisition will have on the Company's earnings.

An egreement has subject to members' confirmation, also been entered into with Southern

An egreement has subject to members' confirmation, also been entered into with Southern Prospecting (Proprietary) Limited ("Southern Prospecting") on June 8, 1982. In terms of this agreement the Company will, efter the proposed increase in share capital, issue 300,000 new sheres to Southern Prospecting in exchenge for the transfer of 336,015 shares in 8 onanza Gold Mine (Proprietary) Limited ("Bonanza") (representing 15 per cent of 8 onanza's issued share capital) and cession of Southern Prospecting's credit loan accounts of 831,500 with Bonanza. This will increase the Company's interest in 8 onanza to 38 per cent. The agreement elso provides for the appointment of Southern Prospecting as technical advisers to the Company and contemplates thet Southern Prospecting will be represented on the board of Directors of the Company

The Company has, subject to members' confirmation, elso entered into en agreement on June 8, 1982 with Transvaal Gold Recovery Corporation Limited ("TGRC") in which Company Southern Prospecting has a 50 per cent interest, whereby TGRC has ceded to the Company an option to acquire an interest in e slimes dam situated on the farm Daggafontein 125 IR. The consideration for this option is the Issue of 50,000 new shares to TGRC after the proposed increase of shere capital.

Members will be asked to confirm each of these egreements et a General Meeting of members to be held shortly. It will be necessary for the Company to increase its share capital for the purposes of these

A circular to members and a notice of General Meeting giving further details will be posted Registered Office:

ARTHUR YOUNG AND COMPANY per: J. D. G. CUNNINGHAM

# Chesebrough-Pond's Inc.

Prince Manufacturing, Inc.

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Prince Manufacturing, Inc.

Kidder, Peabody & Co.

July July

50% 17% 25% 21% 52%

Gt. Atl. Pac. Tea. 5 %
Gt. Basins Pet. 2
Gt Nthn.Nekoosa 217g
Gt. West Financi. 113g
Greybgund 131g Gt. Ati. Pac. Tea. 5 % 5 % 5 % 6 t. Basins Pet 2 21 % 6 t. Nth. Nekoosa 21 % 22 1 % 6 t. West Financi. 11 % 15 % 15 % 6 crummen. 29 % 29 % 29 % 6 weston. 12 % 13 % 6 % 18

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Hospital Corp...
Neusehold Inti...
Heuston Inds...
Nudson Bay Mng...
Nugles Tool....
Humana...

Husky Oil . ..... Hutton (EF) ..... IG Inds.... IU Int.....

Inti. Flavours 215e
Inti. Narvestar 41g
Inti. Income Prop 91g
Inti. Paper 361g
Int. Rectifier 91g
Inti. Tal & Ted 351g
Irving Bank 351g
James (FS) 211g
Jeffn-Pilot 243g
Jewel Coa 33ag
Jim Waiter 201g
Johnson 4 Jan 581g
Johnson 4 Jan 581g
Johnson 4 Jan 14
Joy Mnf 225g
K. Mart 18
Kaiser Alum 121g
Kaiser Steel 175g

on day -11--74

251, 251, 251, 251, 381, 501,

1/2ded 507,800 492,900 432,900 411,600 381,200

216g 41s 014 265s 19 255a 363g 01 244g 201g 1954 287g 141s 2834 1814 123g

50% 191<sub>2</sub> 233<sub>4</sub> 211<sub>8</sub> 531<sub>4</sub>

Dana 953e
Dart & Kraft 51½
Dats Gen 237g
Dayton-Nudson 36¼
Deers 94½
Deensy's 24½
Denny's 24½

Eastorn Airlines. 23s 53s 53s Eastern Gea & F. 16ts 17 Eastman Kodak. 725s 735s Eaton. 95ts 26ts Eckherd Jack. 197s 198s Electronic Data. 263s 97ts Elect. Memories. 19 19 19 Emerson Elect. 437s 444s Emery Air Fgt. 71s 294s Engelhard Corp. 19 191s

Genuine Parts... 651s
Ceergle Pac... 161s
Geosource... 431s
Gerbee Prod... 293s
Getty Dil...... 491s
Giddinge Lewis... 123s
Giddinge Lewis... 331s
Glebel Marine... 97s
Geodyear Tira... 243s
Gould ... 231s
Greee... 323s
Grainger (W. W)... 373s

Dillingham
Dillen
Dillen
Dillen
Donnelly IRR
Donnelly IRR
Dover Corp
Cow Chemical
Cow Jones.
Dresser
Dr. Pepper
Duke Power
Dun & Brad
Su Pont
EG & P

NEW YORK

Carter Nawley 1336 1314
Caterpillar 5734 3714
Celanese Corp 43 43 14
Central Sw 1514 1615
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Cigna 58
CincinneU Mii 1812
Giticerp 251a
Cittes Service 247a
Gity Invest 165a
Glark Equipment 223a
Cleve Cliffe Iren 191a
Glerex 155a
Glueitt Peaby 157a
Coca Gola 537a
Colyate Paim 171a
Colins Alkman 131c
Coll Inds 241a

**NEW YORK** 

111a 1614 27s 1914 81a 83s 41 2934 121a 67a 261c

351; 195; 251; 253; 195; 181; 167; 167; 335; 171; 124;

Schlumberger ... 35<sup>1</sup>4 SCM ... 23<sup>1</sup>9 Scott Paper .... 14<sup>1</sup>8 Seacon 92 Seagram 45<sup>1</sup>8

Smith Kilne Beck 63
Sonsetz Inti 11
Sony 12
Southeast Bankg 14
Southeast Bankg 14
Southern Co. 12
Sthn. Nat. Res. 25
Sthn. Nat. Res. 42
Sthn. Pacific 69
Gouthlands 25
S.W. Bancshares 25
S.W. Bancshares 25
S.W. Bancshares 25

| Std Oil Cilfernia. | 97% | 28% | 28% | 35% | 36% | 36% | 31% | 36% | 31% | 36% | 31% | 36% | 31% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 32% | 3

Tandy 971e 273g
Teledyne 971e 981g
Teledyne 971e 981g
Tektronix 515g 613g
Tektronix 515g 613g
Tektronix 515g 613g
Textron 991g 261g
Textron 251g 261g
Textron 125g 613g
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Tipperary...
Total Pet...
Transamerica ....

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us Home ...
us Shoe ...
us Stee! ...
us zurgical ...
us Tebacco ...
us Trust ....

Tri Continental 18%
Triton Energy 11%
Tyler 14%
UAL 17%
UMC Inde 8%
Unilever N.Y 28
Union Camp. 40

29 | 501s 7 | 71s | 1934 1919 | 191s 3434 | 341s 19 | 191s 2014 | 22 1918 | 191s 2914 | 01 57g | 67g

| Nerfolk Southern | 461e | Nih. Am. Coal | 361e |

Ogden ...... Ogilvy & Mrth.... Ohio Edison.....

Peoples Energy
Pepsico
Peridin Elmer
Petrie Stores
Petrolane
Prizer
Pheips Godge
Philia Elect
Philips Sal'n Inc.
Philips Pet
Pilibury
Pioneer Corp
Pitney-Bowos
Pittston
Planning Rea'eh
Plessey
Poisroid
Potiatch
Prentice Hall
Prentice Cambie

Purex ..... Purolator ...... Quaker Oats....

BANKING SHARES were among THE AMERICAN SE Market the weakest issues as prices Value Index was off 2.53 to declined incderately in light 245.85 in a volume of 2.12m trading so Wall Street yesterday.

By I now the Dave Lyst Index

AMERICAN SE Market ket is focussing out only on prior a broad front in a session which was interrupted for about an investigation by the boar by a demonstration.

Fig. but also on the poor growth shares. By 1 pm the Daw Jopes Indus-trial Average was off 4.75 to 792.24, the Transport Index shed 3.15 to 311.45, while the NYSE All Common Index dipped 47 cepts to \$61.52. Declines topped Canada Slightly lower at mid-session with Gold issues pacing the decline. The Gold Share Index came back 60.9 to 1508.3.

The Torento Composite Index pased 2.6 to 1357.2, Oil and Gas 9.6 to 2366.5. Utilities 0.46 to 151.51 and Beauty 0.40 in 128.14

advances by almost a two-to-coe margin. Turnsver was 28.19m shares. The most pressing concern of investors is growing belief that interest rates will remain high over the sear-term. Analysts said 181.51 and Papers 0.40 to 128.14. But Metals and Minerals put on 4.4 to 1193.2 and Banks firmed 1.37 to 250.38. many traders also believe that Corporate sarnings will make very poor reading when results for the June quarter begin

H. H. Robertson surrendered \$3\frac{1}{2}\$ to \$30\frac{1}{2}\$. However, takeover target Gidding and Lewis, delayed in opening, was indicated sharply higher on the NYSE. It closed Friday at \$12\frac{1}{2}\$. Canadian-based Amea International is offering to acquire Giddings and Lewis at \$2\frac{1}{2}\$ s share. The value of the transaction is estimated at \$260m.

Allied Carnoration fell \$1] to \$29, while American Express surrendered \$1] to \$36]. Getty Oil, another weak performer, lost \$11 to \$471.

America were not available

Closing prices for North for this edition.

Karatadt

Karatadt

Karatadt

Kloedkner

Kloedkner

Krupp

Linde

Lutthansa

MAN

Mannesmann

Mannesmann

Mercedes Nig

Metaligessell

Mucneh Ruse

Preusses

Rhein West Ele

Rosentis

Schering

Slemen

Thyssen

-8 +1.1 +0.6 +5 +0.5 -1.1 -1 -0.2

dewnward pressure and rose wore largely Speculative issues.

Despite a general decline among Pharmaceutical shares, for example, a trader osted that Dainippon Pharmaceutical put so

Paris

AEG.

The Domestic Eand issues retreat continued triggered by rising Money Market rates.

Paris Y30 to 1.270.

Green Cross, gave way to Y70

French and Foreign share came too lete to affect the to 1.880, indicating that the marphrices were marked up across market.

Mochinories, Steels. Motors 44 in the French section and by and pon-Ferrous Metals also 37 to 20 among Foreign Issues.

weakened. gaither buyers nor sellers.

#### Hong Kong

Stocks closed steady to slightly firmer, after some fairly strong buying in the morning which did not continue lote the after-

Tokyo

Tokyo

That also believe that Corporate sarnings will make very poor reading when results for the June quarter begin appearing.

Analysts said the market will probably haver around its present level until it sees some mayemest in interest rates.

In this Banking group, Continental Illinais fell S2½ to \$195 after saying it sepects to report a lass for the second quarter. Chase Manhattan dropped \$1½ to \$339.

Chrysler eased \$½ to \$65-it reduced prices up its Dodge Colt and Plymonth Champ models.

Kerr-McGee slipped \$2½ to \$295, after advancing more than \$1 go Friday an takeover rumours.

H. H. Bobertson surrendered \$3½ to \$305.

H. H. Bobertson surrendered \$305.

H. H. Bobertson surrender

Index will drop to the 6.800 level by the ond of Dext week.

Fulltan bucked the downtredd rising Y1 to 700 on its announcement that it has developed what it called the world's fastest processing computer for scientific use.

Other stocks that withstood the downward pressure and rose

Foreign demand.

Preussag. however. rose another DM 1.10 to DM 189.30 nn continued demand ahead of its dividend payout.

In otherwise steady Engineerings, Mannesmann lost DM 1 to DM 133—it is persistently mentioned in connection with AEG.

FBL, but also on the poor growth in the market for the company's artificial blood.

Trading resumed later although volume was thin. Advances led declines by 97 to Advances led declines by 97 to 44 in the French section and by

iro

Linguist 1 mes. Mednesday and 1 1985

Apart from sono isolated Government Bood's remained weak spots among Banks, Engilevel, with the market finding perings and Electricels, gains osither buyers nor sellers. other sectors.

Making good progress to the Foreign zaction were Chase Man-hattan, Deutsche Bank, Sony, Goldfields, RTZ and Quilmes, Matsushita, Harmony and Nestle were exceptions to the rule.

#### Switzerland

Prices extended (heir down-treed as huying drisd-up amid the dollar's firmness and an gonouncement that Consumer Prices in the city rose 7 per cest in June from a year earlier. Buyers stayed away for the most pert, with volume in Swiss shares falling back to 189 trans-

Declines were conceptrated in the Bank, Finance and Chemical Foreign stocks were generally higher in light trading

#### Milan .

Lower in thin trading, with investors reluctant to commit themselves because of the political and economic situation.

#### Johannesburg

Gold shares closed steady at their slightly lower opening levels in limited trading, reflect-ing the little changed Bullion

News a White Miners' strike threat has been averted after employers and Union leaders

CANADA	BELGIUM (continued)	HOLLAND	I.A	AUSTRALIA			JAPAN (contin			
Stock   July   July	July 8 Price + or	July 5 Price +	er _	July 8	Price Aust. \$	+•	July 6	Yen Yen	+ or ~	٠.
AMGA Intl	Petrofina 4,480 -19	AOF Nolding 76 -	-0.2	NZ Droup	5.70 1.30		Kubota Numgasi Kyoto Ceramie	3.85	777	
Abitibi 15 174 Agnico Eegle 6.87 5.62	Royale Selse 5,070 +20 Soc. Cen. Bang 0,305 -40	AKZO 23.5 -	A	mpol Pet ssoc. Pulp Pap udimco	1.19 1.55 0.19	-0,81	Maeda Cons	615	+12 7 +4	
Alban Alumin 221s 217s Algema Steel 231e 961e Asbestos 105s 195e	Soc Gen Belge 1,156 +4 Bofina 5,375 -22 Solvay 1,900 -50	AMEV	0.8	ust. Cons. Ind	1,38 2,18	+0.01 +9.51	Makite	283	-1 +1	• •
Asbestos 10% 19% 19% 17½ 17½ 17½ 8k Nova Goetis 20% 90%	Traction Elect 0.689 +20 UCB 9,212 -6	Boekalle Western 37	3.2	ust Nat Inds	0.50 1.57		Marudal	888	$-17 \\ -15$	
Basic Resources, 2,48   0,48	VieillaMont 2,150 +10	Caland NId s 29.4 4	- 18	lank NSW	1,37	+0.01	Matsushita M'ta Elee Works	427		
Bell Canada 1754 1734 Bow Velley 1468 1414		Ennie 121	0.6	iond Nidgs ioral ii vijje Copper irambies inds	1,08 2,3 1,10	-0.02 -0.1	M'bishi Bank M'bishi Corp M'bishi Elect	497	- X	
9P Canada 014 01 Brascan A 16 134		Gist_Brecades 70   -	0.1 B	rambles Inds	1,85	-0,02	M'bishi Ri East	420	+8	
8 C. Forest 7 714 CIL Inc 1814 1834	DENMARK	Noogovens 14.7 -	0.3 8	Prunswick Oil	6,00	-0.94	Mitsul Ri Est.		22	
CadillacFairview 918   048	July 6 Price + or	KLM 88.1		SR	2.57	-0.62 -0.01	Mitsu-koshi	347 433	š	
Can NW Energy 224 224	Andelsbanken 113.6	Nat Hed cert 116,2	2.0	cariton & Utd castlemaine Tys castlemaine Tys castlemaine Tys	5,70	-0.01 -0.05 +0.06	Nippon Gaski	635	-14 +1	1 25 AVD .
Can Packers 2914 2212 Can Trusco 21 91	Baities Skand 322 CopNandcistank 126 D. Sukkerjab 319 —5	Ned Mid Bank 114.2 +	0.3	Go. Opts			Nippon Meat Nippon Oil Nippon Shinpan	855	-16 +2	1 20
Can imp Bank 18 18	Danake Benk 186	Oce Grinten 104.5 4 Ommeren (Van) 20.9 -	0.6	coles (G.J	1,73		Nippon Steel Nippon Suisan	019	-2	
Can P. Emt. 1314 13 Can Tira. 3314 3834	Forenede Berygg. 530,4 Forenede Damp. 4011"	Philips	0.5 D	ostainuniopider-Smith G.M.	0.96	+0.06 -0.01	Rissan Motor	¶ 029,50	-10	
Chieftain	Jydske Bank	Run-Schalde 20.5 +	-0,1			+0,83	Nisshin Flour Nisshin Steel	150 (	+9	1
Cons Bathat A 144   144	Nord Kabel 126 Novo Ind. 1,925 Papiriabrikker 79.4 –0,6	Rollnco 195,8 4	9.7 G	ndeavour Res en. Pro. Trust artogen Energy	1.48	+9.02 -0.05	NYK	241	-3	'1
Cont. 9k.Canadal 25g 63g Coseka Res	Privathanken 183.2	Royal Gutch 85.4 +	1.2 N	Cl Aust	1,55	,,,,,,,,,	Glympus Drient Ploneer	1,280	-6	100
Deen Devel 2.65 2,22 Denison Mines 16 16s	Smidth (FI)	Unilever	9.5 Ji	engings imb lana(SOcFP	0,19	******	Ricoh .	457	-15	
Dome Mines 8 836 Dome Petroluem 5,50 2,87	Superfes	Ymf Stork 43 -	0.5 L	eonard Oil	1,70 0,13 2,54	0.08	Sanyo Elect	957	-3 +12	
Dom Faundries 274   07			-0,5 M	foekatharra Ms.	1,20	-0.06 i0.0	Sharp	722	+5	
Dom Stores	EDANICE.		— i M	Ionarch Pet	9,08	********	Shisiedo	3,200 333	19 19	-
Gt. West Ufa 2.05 2.05	FRANCE	ITALY	R	at Bank	2.32 1,80	0,05 0,05	Stanley 6'tome Marine Talhei Dengyo	500	—10 —3	FT.
Guif Stream Res. 1,85   1,86	July 5 Price + er		N	orth 8km Nillem	1.15 1.55	-0.02 -0.10	Taisel Corp	230 580		
Newk Sid. Can 712 734 Hollinger Argus 2214 . 2514	Emprunt 44% 1975 1,698	Ure	- lõ	tter Expl	1.35 0.28 1.38	-0.05 +9.02	TDN	3.800	-19 -50	A LITTLE CAL
Nudson Bay Mng   141s   141s Hudson's Bay   151s   15	Ar Liquide	Banca Com'le 30,990 -		aneee an Pacifie loneer Co	D.11 1,50	+0.64	Tellin Telkoku Gil	875	-3 -3	
Imasco 381g 381g	Aquitaine	Centrale 2,190 -	140 R	eckitt & Coin	1.70		TBS Tokio Marine Tekyo Elect.Pwr.	408	-1 -1	
Imp Oil A	860 484 +4 Bouygues 521 +1	Fint	54 St	antos leigh (HC) outhland M'n'g,	4,55 1,01 0,24	-0.16 -0.14 -0.02	Tokyo Sanyo	109 439	+1	DIV group
inter. Pipe	ESN Gervals	Italics menti 22,500 -	650 St	parges Expel	0.18	-0.04	Toshiba	201	_8	Contrar of
Mac Bloedel 17   1212 Marks & 2pancer 712   738	CFAO: 530 +4 CSFI Thomson) 139,5 +5,5	Offvetti 2,185 - 2,110 .	16 T	nos. Natwide	2.88	-0,91	TOTO Toyo Selkan Toyota Motor	878 1	-4 -6	
Massey Ferg 0.55 0.35 McIntyre Mines. 091 25	Cle Bancaira 126   -5 Gle Gen Eaux 980	Snia Viscosa 612	19 ys	alient Consdt.	1.78 0.09 0.68	********	Waspal	705	-30 -13	
Milei Corp	Creusot Loire 73.5	do. Pref	300 W	oodside Petroi	8.85 0.27	20.00 10.0+	Yamaha Yamazaki Yasuda Fire	521	+8	
Noranda Mines 115 1165	GFP		-   w		1,56 8,85	+0,81	Yekogawa Bdge,	502	+1	
Nthn. Tslecom 454 45 Oakwood Pet 954 D54 Pacific Copper 1,25 1,20	Imetal 59   +1,9	NORWAY	<u> </u>				SINGAPORE	- :		*
Pan can Patrol   6514   65	Lefarge 216.1 +0.9   L'Oresi 891 +1   Legrand 1,460 +24   Restings 201   1,460 +24		er H	ONG KONG		. !	July 5	Price	<u>+</u> or	· N
Palino	Matra 1.450 +20	Krener	]		Price	+ or	Soustead 8hd	1 05		
Power Dorp 9 9 Quebec Stryn 1.90 , 1.00	Michalin 2	Gradithank 151	Ci	neuno Konz	16.0	+0.1	Cold Storage	6.86	-0,05	
Ranger Dil	Perned Ricard   348   -9	Kosmos	·lčr	oss Harbour	1.7D 10.0	-0.2	New Par Inchoape Bhd Malay Banking Malay State	D.69 2.04	0.02	4.29
Royal Bank 191 191 19 Royal Trusce A. 113 1134	Peugeot-S.A 169,9 +4.7	Norsk Hydre 27D — Storebrand 180 —	5 INX	ing Seng Bank. K Electric K Kowloon Whi	85 6,15 4,80	-1 +D.05 -0.01	Maley Sraw		-	
Jean alli	Radiotech 26D + 19.9 Redoute 690 +8		NK NK	Shanohi Nk	7,36 11,2	+D.1	Straits Tro	2.02	-0.84 -0.06	8 17 17 8 17 17
Shell Can Gil 161s   161s Steel of Can. A 171s   167s	Reussel-Ucisf 27D +8 Bids Rossignel 650 -5 Telemech Elect. 706 +2	SWEDEN	1 HU		31.0 15.7 16.4	+0,5	UBO	4.02	**	
Teck B 5,12   5,25	Valeo 176 +2	July 5 Price +	er D	w Werld Day	3.95 5.45	+0.00	SOUTH AFRICA	A		ارسام دوي روايان
Torento Dem Sk.: 225, 994		AGA IDS		Vire Pac A heel'k Mard L	6,85 11.0 6.60	+D.2 +D.05	July 5	Price?	- ,	
Welker Hi Res 154 155	GERMANY	Astra 437	I W	neel' KMariti e orld int. Nidgs.	4.6		Abercom AE & Cl. Angle Am	2.30		100
Westonast Trans 12 1134 Weston (Geo) 2756 27.		Boliden 155	JA	PAN.		- 1	America Am Stern	9,2m	-0.1	-
	Om. ; {	Ericeson D95		July 6	Price -		Buffele	6.65 D7.50	+0.5	
	AEG-Telef	Esseite(Free) 144 + + 1		•	Yen	!	Currie Finance			
·	9AYER 109.3xd -0.3	Fortia (Frael	ATT	nada ahi Glass	507 486	-1 -18	De Beers Driefontein		-0.95 -0.95	9. €1. 1. 3. 10
AUSTRIA	8NF-Bank. 204 -5	Skandia 480	Cal	ngastone	438 666		FS Deduid	40 3.85	+10	
July 6 Price + er	Brown Boyeri 179 -1	3KFB   114		izen	875 618 484		Kloaf	5.20	+0.00	
reditanstalt 208 1	Conb Gummi 48.2 +8.5 Daimler Senz 694 +9.5	Sven Handelsbn 104 +1	··· Dal	Nippon Ptg	582	-3. +4	ON Bazeare	15.85	-0.1 +0.5	
erimooser 951 -11	Germag 180	Volvo (Free) 148	EDI	ara selko	596 557 810	ĮĭΙ	Repoles	8.15 5.60	+0.66	
emperit,,, 68	G'sche Babcock. 187.5 -0.5		Ful	ii Bank	550		Sage Nidg	3.15 D.15	+0.65	
	94 SChult 168   -3	SWITZERLAND	Fuj	itsu Fanuc4	800	1 BO	Tiger Oats Unisec	15.9	-0.1 -0.26	*** : ·
1	Napag Lloyd 62	July 6 Prica + 5	. 1043	**************************************	200	_,,,	Financial Rand	I IISSO	.78}	E
	Holzmann IP) 416 _0.5	Prs.   Alustrisse	HITE	achi Keki	550 !	-15	(Discount D	f 91%	)	100
	Horten	Cibe-Gelgy 1,1955	No	Usefood	685	-3 -10	July 5		Les	The Name of the Park
SELGIUM/LUXEMBOURG	Kaufher 175,8 +0,5	Credit Suisse 1,600 -2	itai	h (C)	700. 277	- <u>1</u>		Price -	\	
July 5 Price - or	Kloeskner 58 +D4	Fischer (Geo) 4055	ito-			-8 1	Accelta	1.60	-0# ·	·_

440 956 1,195 990 1,600 2,260 408 54,500 1,260 785 3,180 1,040 275 684 275 684 275 5,800 2,030 14,150

-15 -11 -10 +6 +2 +15 -18 -12 -15

July July i		June June	June June	1	1982		Since Cmpift's		
		i	3D	29		Nigh	Low	Nigh	Low
o industr'is	798,99	808,27	811.65	812,21	811.68-805.58		788,62	1051,70	41,22
N°me 8nds.	87,90	68.12	87,54	88,15	58,86 88,48		15.81 55.67	(11, 1, 78)	1.2/1/52
Transport.,	314,50	317,00	620,69	318,27	819,59-515,35			447,58	12.52
Utilitles	106,17	108,86	167,70	106,86	106,52 108,57		(21.6 105.81	118/4/811	10.5
TradingVel 000-1	48,760	47,900	65,206	46,980	48,700,38,740		_	(20, 4, 68)	(28:414
• Dey's hig				52 June 25	June 12	June	11 Y	Prago I	Approx
Indust	'( div. )	rield %	· .—	5,96	7,08	6,9	o	5.5	,
STANDARD				Juna	lune lune		82	Since C	mpil't'
	5,	1		29	Nue June	Hìzh	Low	Nigh	Low
:Indust'ie (Comp'e'te			!		128,44: 122,0 1 10,26 109 1	(4)1.	(\$15)	186,88 128:11:30	8,52 (30:8) 82

Indices

-OOW JDNES

Indust'i P:E ralig	· ·	7.70	. 7	7.75	7,55 0,87			
Long Cov. Bond yield	i	3.73	14	.09	13,66	13.27		
NY. D.E. ALL COMMDI July July June June 2 1 3D 99 51.99 62.51 23,0263.28		21.7	R FI	ssues Trises	2ded 1,728 506 857 d 436	2 July 1 June39 3 1,800 1,855 460 801 7 810 603		
MONTREAL	July	July	July	Juna -	1983			
İ	5	9	1	30	Nigh	Low		
industriale Combined	261,72 218,11	252,58 237,84	IC) ICI	254,02, 253,51	832,79 (4.1) 818,08 14,11	241,68 12116) 287,27 121:6)		
TGRGNTG Composite	1359,6	1559.9	IC1	1586.8	1856,5 (4,1)	1555.7 (2)/61		
1	NEW 1	ORK Chanc		TVE ST	OCKS	Channe		

on day - 1, - 1, + 1, + 17,

1raded 1,973,100 708,000 652,700 681,300 530,500

June 23 June 16 5,82

	July 6	July 5	July	July 1	Nigh	1982 Low
AUSTRALIA - Ali Grd. 11:1/88) Metal & Minis. (1,1/88)		. 480.7 . 818.4		475,8 655,8		486,8 (10/8)
AUSTRIA Gredit Aktien (1/1/62)	48,77	43,47	43,18	48,94	54.96 (£/1)	. 48.85 (ZE/S)
BELGIUM Belgian 6E (\$1/12/88)	82,67	\$2,55	22,54	82,44	102,45 (8/4)	16,42 (ED/T
ZENMARK Copennegen 8E 11/1178)	118,04	110.00	111,34	111.65	198,28 (25/2)	199.55 (19/5)
RANGE IAC General (8 1/12/51) Ind Tendance (8 1/12/51)	110.4	\$8,50 199,60		88,4 1 109,1	711.6 (12/5) 124.6 (12/5)	35,5 (4/1) 87,7 (4/1)
ERMANY AZ-Aktiec (\$1/12/68) ommerzbank(Dec 1868)	224,8 699,8	224,78 685,7	225.65 115,6	225,47 8\$1.4	280,45 (5/4) 729,8 18/41	218,35 ([81]) : 885,7 ([8])
IOLLANG INP-CBS General (1978) INC-CBS Indust 11878)	53,5 66,2	85.4 85.5	85.5 67.2		95.8 (10/5) 74.8 (10/6)	84.8 (E/T) 86.2 (4/T)
IGNG KONG lang Seng Bank (\$1/1/84	1291,61	1285,71	1274,23	(e) :	1445,82 (12/1)	
TALY lanca Comm Ital/1872)	153,40	154,97	155.81	154,78	212,68 (18/3)	155,27 129/61
APAN <sup>44</sup> low Average (16/5/48) okye New 2E (4/1/88)	70 18,55 826,25	7081.10 650.16	7014,87 650,68	7175,56 <sup>1</sup> 538,53	7929,55 (27/1) 685,28 (27/1)	8689.53 (17/5 620.78 (17/5)
ORWAY	115,54	118,6	115.85	115.21	150,55 (29/1)	198,12 (1/4)
INGAPORE traits Times (1999)	635,10	862,28	725.68	789,40	\$10,75 (5/1)	687, 40 15/3)
OUTH AFRICA gld (1958) idustrial (1958)	= ;	= ;	348,9 810,0	350.4 612,7	588.3 (5/1) 711,7 (8/1)	841.7 (21/6) 807.8 (29/6)
PAIN ladrid 6E (58/12/81)	20.58	01,80	51.63	25.29	197,45 (9/2)	96.58 (S/7)
WEDER LCObson & P. (1/1/69)	587,83	593,68	582.07	591,55	655,342 (22/1)	: 563.62 (28/A)
WITZERLANG Wiss BankCpn, (81/12/68)	-		<del></del>	-	286,1 (11/1)	241.5 (8/7)
ORLD opital intl. (1/1/76)	_ i	124.8	Ť	125,6 i	147,2 (4/n	193.7 (21/6)

picau inti. (1/1/	, m	-   12	1.8   124,2	125,6 i	147,2 (4/T)	193.7 (21/6)
Base values  O. NYSE All  of named base	ol all ind Common-	lices ers -50: Sta 975 +	100 except nderd and Evaluation	Poors-	10: and Ta	539.40. Pary and Matale— Pronto—1,000: the dustriels. § 400 orts. c Closed

#### LONDON STOCK EXCHANGE

# Growing prospect of imminent base-lending rate cuts lifts equities but Gilts stall after money figures

Option

First Declara- Last Account Dealings tious Dealings Day Equity markets were un-June 21 July 1 July 2 July 12 affected by the banking figures. July 5 July 15 July 16 July 26 Dealers welcomed a fury research interest come

encouraging news on the rail deadlock, but the major stimu. pared to part with pent-up funds. lant was underbredly the authorities' continued acquissence of the moves to lower interest rates; the Bank of the continued acquisities on wall Street spon

Investors were impressed with the FT Industrial Ordinary share these developments and chose index posted a rise of 6.7 at to ignore an earler sterling exponence of the mine up for a two-day gain of 11 workers' reported decision to points to 554.0.

Submit a substantial wage claim. Fresh demand for Gittedged cuinness Peat rally securities enabled the Government broker to sell more of the short tan £30-paid Treasury Consideration of the group's commodity. short tap, £30-paid Treasury Con-vertible 124 per cent 1886, this time at 304 and remaining a-seller at that price.

Prior to the 2.30 pm amounce-

ment of the June banking statistics, the trend was fully firm with quotations I higher at both ends of the market. The stansies, the trend was fully firm with quotations is higher at both ends of the market. The growth in sterling M3 last count Houses were encouraged month was exactly in line with expectations, but Gilt gains were pared to around i generally in the absence of follow-through Alexanders, 230p, and Gillett support. This followed the personners, 147p, advanced 5

SAPAN (conting

early investment interest, some on institutional account, and leading shares soon extended Newfound optimize that UK Monday's recovery which was clearing bank base-lending rates partly achieved on the back of would shortly be reduced it to professional short-covering Bear closing was also a factor yesterday. London stock market day but there was also evidence sentiment also benefited from investors were now more pre

England yesterday cut its intervention rates in UK money also made for cautian and many markets for the second day leading industrials eased the turn late. Measuring the trend, the FT industrial Ordinary share.

sale of the group's commodity division to management interests beaded by Lord Klasin prompted a rally in Guinness Feat which, at 47p, retrieved 4 of the previous day's effective fall of 14. Other Merchant banks made previous day's effective fall of 14.

FINANCIAL TIMES STOCK INDICES

Ord Div. Yield 5.56 5.66 5.69 5.65 5.88 6.60 6.03 Earnings, Yid X (Yull) 11.65 11.80 11.91 21.60 11.63 11.67 12.11

P/E Ratio (net) (\*) 10.44 10.31 10.21 10.39 10.45 10.41 10.99

2 pm 584.3. 3 pm 854.8.

Since Compilation

554.0 .548.4

1/7/35. Gold Mines 12/9/56. SE Activity 1674.

High Low High Low

(8/8) (5/1) (36/4/87) (26/6/40)

101.2 558.0

HIGHS AND LOWS

89.95 69.85 69.89 59.49 89.44 68.94 64.76 70.43 70.30 69.99 69.85 69.75 69.49 66.97

195.2 195.9 197.2 197.7 205.7 198.5 295.1

14.311 14.607 15.733 13.430 15.517 19.893 20.888 - 102.61 114.04 122.93 111.84 102.84 120.27

\_\_ 10,308 11,394 10,560 9,870 2,873 16,143

543.0 549.5 654.5 552.0 529.6

250	Δ	$\Delta V_{\lambda}$	~~
	- /	V V	
200		I Insurance (Lii	(e)
		FT-Actuaries Index	
	~		
-1EA-	1980	1981	1982

spiece. Quietly firm conditions prevailed in the major celaring banks ahead of the interim dividend season scheduled to start at the end of the month. Nat-West put on 6 to 428p and Middand 5 to 330p. Elsewhere, First National Finance hardened

a penny more to 3410. After Monday's bout activity, conditions in activity, conditions in this insurances turned much quieter. Still awaiting official REC Commission approval of Alliant's acquisition of a major stake in the company, Eagle Star chespened 2 to 358p as recent speculative support was with-

Among regional broweries, Marston, Thompson and Ever-shed rose 3 to 88p following the increased annual profits and

The prospect of cheaper money encouraged fresh support for leading Buildings which displayed useful gains, some of which were exaggerated by stock shortages. Bugby Portland Gement came to the fore and put on 5 to a 1982 peak of 98p. while Bine Circle gained the same amount to 445p. BPB rose 8 to 410p. House builders featured Barrett Developments which advanced 8 to 278p. Refeatured Earrest Developments which advanced 8 to 278p. Revived support left Exyant Holdings 4 up at 102p and Bellway a couple of pence firmer at 78p. Elsewhere, demand in a limited market lifted Robereld 8 to 161p. 1CI touched 310p before drifting off to close unaitered at 308p. Ahead of next Monday's results, Amerikam coupled its peak vis-

Amersham equalled its peak, rising 8 to 226p.

#### **UDS** feature

UDS attracted a brisk trade and touched 67p before setting for a net gain of 4 at 65p; Heron Corporation, the privately-owned of 308p. Among Retailers, J. 190p before closing a not 7 up group deaded by Mr Gerald Sainthury attracted support and at 183p on profits at the top end Ronson, revealed late on Monday rose 7 to 327p, while Fitch of market estimates.

The Shippings P & O Deferred cent holding in UDS and with its added 3 and 4 respectively. terday also made known that it in Hotels and Caterers, rising 5 Smith A remained friendless and to 23sp. Interest was also shown that it of the confort which gained a penny two-day fall of 12 to 53p. preliminary figures released yes - Grand Metropolitan stood oot terday also made known that it in Hotels and Caterers, rising 5 was seeking a major acquisition.

subdued and closed a shade assist for choice, although Marks and Spencer bucked the trend and added a penny at 157p, after 158p. Polly Peck continued to industrial leaders. Additionally beloed by the chairman's confident statement, Beecham rose mutual consent of the agree-

counters, rising 13 more to 343p on renewed interest, while Cornell Dresses firmed 8 to 180p in sympathy. Suport was also noted for James Beattle "A," 3 up at 730, and for House of Lerose, 4 dearer at 989.

BICC were sold down to 2850 before closing a net 12 down at 2830 following adverse comment and on consideration of yet another downgraded profits forecast by a leading broker. Other major Electricals fared much better all EEC continue. much better with GEC continuing to thrive after the recent ing to thrive after the recent good results and capital proposals closing i better at a 1882 neak of £10j. Plessey, belped by the chairman's optimistic annual statement, ended 7 to the good at 477p. Thora EMI ralled 5 to 410p. Elsewhere, United Scientific came in for soms good at annual statement in for soms good at any port and rose 15 to 380p. The prospect of cheaper money support and rose 15 to 380p, while Ferranti advanced 17 more to 770p. Immediate Business Systems firmed 10 to 135p es did Electrocomponents, to 183p. By way of contrast, Quest Auto-

> offerings and lack of support. Engineering leaders displayed tively, no set trend after a moderate business. Vickers rose 4 to 137p. I C Gas up and GKN edged forward a couple of pence to 148p. Ti were a nervous market and closed 2 cheaper at 108p. Elsewhere, Yarrow gained 10 to 600 Group moved 21 to

mation fell 10 to 40p on sporadic-

Foods went with the general trend. Cadbury Schweppes firmed a couple of pence to 94p. while Northern pot on 4 to 146p. Tate and Lyle also gained 4, to 166p, but British Sugar softened 5 to 475p in the absence of takeover developments. Avana, which recently announced excellent results, put on 10 to a 1982 peak

(Australia). Among lowerpriced counters.

7 10 266p, after 267p, while Glaze rose 13 to 724p, after 728p. Reed International put on 9 to 297p and Pilkington 5 to 198p, while Metal Box, 152p, and Bowater, 202p, added 4 spiece. Secondary issues were featured by 2 jump of 11 to 83p in R. W. Toothill following much-better-than-expected annual receives In Tobaccos. Bats continued to rally from recent U.S.-inspired weakness and added 9 for a twe-day gain of 17 at 432p. Imperial Group, interim figures due Toothill following much-bettar-than-expected annual results, will preliminary figures also prompted a rise of 5 to 72p in R. Kelvin Watson. De La Rus rallied 30 to 485p, whils Booker McConnell rose 5 to 87p on re-

#### Golds easier

vived speculative buying Down
7 the previous day, Granada "A"
ralked smartly to 197p ahead of
the interim results but reacted

to close only a few pence dearer at 189p as the Board's cautious

remarks concerning second-half prospects outweighed the satisier the profits recovery. Rexmere hardened 11 to 22p but Parker-Knoll "A" fell 4 to 130p on details of the factory closure

and redundancies.

two-day gain of 9 to 135p.

drifted down in thin trading.

apiece to 408p and 85p respec-

Shell's move to halt its pro-

gramme for running down sur-plus oil stocks was deemed a

slightly bullish sign for the oil

sector, but, once again, an early

sizeable interest and quotations drifted back to close below the

best. Shall, after opening at 390p, settled only 4 dearer on balance at 386p, while British Petroleum, 278p initially,

finished a net 2 cheaper at 270p. Soggestions that a rights issue would accompany the IC Gas

preliminary results proved un-founded and the shares touched

A return to normal working or

threatened strike, failed to pre-vent medest losses in Golds.

The market opened on a steady note but drifted through-out the session as the bullion price dipped to close \$4.75 cheaper at \$310.50 an ounce. Also affecting sentiment in the sbare-market was a downturn in the Financial Rand

motor sectors snowed no set trend. Components, firm initially, fell away towards the close. Dowty, up to 1359 earlier, reverted to unchanged at 132p; the preliminary results are scheduled for Thursday of next scheduled for Thursday of next week. Lucas also came under pressure and eased 3 to 164p, after 169p, but AE were wanted at 42p, np 14. Distributors usually moved higher. Kenning were active and rose 3 to 61p following news of the death of the chairman and managing director Mr David Kenning. Lex Service interim results due at the end of the month, continued to draw strength from favour-

creases in export quotas.
"Ameoal" put on 1 to fil and
Transvaal Consolidated Land 1 Buyers again showed little enthusiasm for Properties which

equities combined with a stock shortage led to substantial gains cheaper at 266p, as did MEPC, 170p. Hammerson A gave up 5 to 535p, while Halemere Estates lost 4 to 2 1982 low of 338p. London Provincial Shop and Thames Investments shed 5 things to 400p and 5 prices to 400p and 5 pric in London-domiciled Financials. Gold Fields followed Monday's 9 rise with one of 13 to 357p, while Charter moved up 10 more to 198p and Rio Tinto-Zine another 5 to 370p.

Contracts taken ont in Traded Options increased substantially,

> Deal- Declara- Settle For rate indications see end of Share Information Service

attracted an active two-way business and eased the turn to

tomorrow, eased a penny to

the South African gold mines vious five days coupled with the news that white miners have reached a compromise wage agreement, thereby averting a threatened strike, failed to pre-

Interest in the sector remained at a low 5bb with dealers awaiting the June quarterly reports, the first of which, from the mines in the Gold Fields group, are published today. The Gold Mines Index, register-

ring its fourth sucressive decline, gave up 0.7 te 195.2.

South African Financials were squally subdued. De Beers eased 2 to 188p on nervous selling ahead of the half-year dismonstrated in selections which is expected in

sales figure which is expected in the next few days. Coals staged a good rally, aided by the recently announced in-

2,348 calls and 550 puts being, recorded. The upturn in business was mainly stiributable to an exceptionally scrive turnover in Lourbo positions—the group's first-balf results are expected. shortly—in which 986 calls were taken out, 308 in the November 80's. Imperial Group, interim results tomorrow, attracted a useful two-way trada with 335 calls and 250 puts,

ings ings tion ment
July 12 July 23 Oct 14 Oct 25
June 21 July 1 July 2 July 12
July 26 Aug 6 Oct 28 Nov 8

included TI, Automotive Products, Town and City Properties. Tate and Lyle, Capital and Counties, KCA Internaout in Hawker Siddeley and TL

#### RECENT ISSUES

					EQUITIES						
Izrue price . P	Amount paid up	Renund. Data	_	82 Low	Stock	Olosing Priosi	- or	DIM P. OF Amanot	Coverad	S 70 S	
44	F.F.		821	821	Antologasta Hidgs(Cl	8219	·	7.0	5,6	12,1	2,
4		30/7	14	111	Argyll Foods Warr'ts.		+1		- :	- :	: —
44	F.P.	-	48	4e	Arpylo Trust	45		<u> </u>	_		i. 🛨
4200	F.P.	25/5	280	260	Assoc, Heat Services	272	+2	<b>59.0</b>	2.1	4,7,	توا
45		3017	55	60	Bairetow Eves Cp	.) 88	+2	61,61	2,5)	7.3	נפו. יפוי
190			101		Black (Michael) 201			ข5.0			-
15		154	52		Cambrian & Cen. 745		ļ	,5.2e	-		
		4:6 50:7	435 59		-Cont. Microwave				3. <b>5</b>		_
			168		◆Dencora	. ê <u>₽</u> 167		ba.e	0.6	20	29.0
\$871gp		2015	98	84	Electro-Prot, US60,60		+2	uQ1.5	8.8	0.2	12
1014b		20,0	17	10	Grosp lov Option	12		_	i — I	— i	i
seo	F.P.		60	60	至Knight Cmptr Intop	50	******	bd1,6	2.0	3.8	19.
1137	F.P.		185	150	#McCarthy & Stone	185	1 - 1	M 75	· 2.7:	4.4	. u
1105	F.P.	2/7	121	110	#Miles 53 10p	112		ud2,8	4.3	2,6	2,
600	F.P.		630	528	Orifiame SA (USSI,58)	600		15 <b>Q</b> 50a	2.2	4.0	, <b>4</b> .0
150	F.P.		158	150	#Oitfolds Insp. Srvc.	152		u2.1	3.7	2.0	17.4
77	F.P.	14/2	97	88	*Radio City 'A' NY	88		b5,6	1,5	2.1	70,
140			186	150	Ruddle (G.) 10p	184		b3.3		2.e	
44	F.P.		44		Walker (Alfred) 10p.,			50.75	5,3	8.8	7.
1	F.P.	i —	20	4D	Zambia Cons Cpr 10X	60		ı <del></del>	!	<b>—</b> '	_

EMILITIES

#### **FIXED INTEREST STOCKS**

burge Salah		19	82	Stock	00 mg	+or
\$ E.	75.	High	Low		85	<u> </u>
F.P. Nii 5100 C100 F.P. 1100 F.P. 1200 F.P. 1200 F.P. 1200 F.P. 1200 F.P. 1200 F.P. 1100 F.P. 1100 F.P. 1100 Mil	8/10	1154 14612 109 101 20 10018 9978 2512 47	1012 1012 100 107 9272 2534 10014 9978 2418 38	Antofagasta 5.5% Pref.(£1). Benicx 9% Cow. Cum. Rd. Pf. Sournemouthweter9% Red. Prf. 9789. First Nat. 124pc Conv. Una. Ln. 1287. *LondContf 14% Conv. Sub Una. Ln. 282. *LondContf 14% Conv. Una. Ln. 282. Mariborough Props. 16% Cov. Ln. 282. Midland 6k. 14% Sub. Una. Ln. 2822. Mationwide Bdg. 20c. 1312% 156835. Do. 14% (47783). New Zoaland 144% 1967. RIT & Northern 4po Net Cum. Prf. £1 Do. 4.7pc Net Cum. Prf. £1 Rotaprint 1112% Cum. Conv. Red. Pref	2ppm 1114 133 108 9219 2512 10018 10018 41 46	+12 +14 +1 +18

#### "RIGHTS" OFFERS

Issue	55	Ren	unc.	12	B2	Stock	F.5 C	+
price P	Am	•"	2	High	Low		egg g	
18e 170 155 174	F.P.	28/e	6/8 94/8 2/7 30/7	22pm 190 180 234	180	Applied Computer Tech	158	-2 +4
26 50 326 215 25	F.P.	17/5	13/8 30/7 16/8 10/5	2pm 61 445 263 26	52 380 243	Jenks & Cattell	2pm 61 626 253 25	-1

Recunciation data usefully last day for dealing free of atamp duty. *b* Figures based on prospectus satimate. d Dividend rate paid or payable on part of capital: gover based on dividend on full capital. *g* Assumed dividend and yield, r indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual satnings. *u* Ferresest dividend; cover based on previous year's earnings. F olvidend and yield based on prospectus or other official satinates for 1862. contains, if Overeo to noisers of ordinary shares as a "rights," ""shared by way capitalisation. §§ Reintroduced. 11 issued is connection with reorganization merger or take-over. §§ introduction. ☐ issued to former preference holder Mallotment letters (or fully-paid). • Provisional or partly-paid ellotment letter & With warrants. It coalings ander special Rule. ¾ Unisted Security Market. ‡ Linden Listing. † Prective issue price after scrip. † Former desit in under Rule 163(2)(s). †† Unit comprising five ordinary and that Cap. abares. A issued free as an entidement to ordinary boldsre.

#### **ACTIVE STOCKS**

				OBTOICEL	
Stock BICC Osrratt Developme Beacham Charter Cens De La Rus	278 266 198 485	Day's change -12 + 8 + 7 +10 +30 + 6	Stock Imp Cent Gas Intssun Kanning Motor P. & O. Deferred HTZ	Closing price pence 183 123 61 146 370 85	Dey's change + 7 - 1 + 3 + 5 + 4

MONDAY'S ACTIVE STOCKS Based on bargains recorded in SE Official List

		tonday'	Z .		A	Aonday'	3
	No. of	clasing			No. of	closing	
	prica	price	Ony's		price	price	Day's
Strick	changes	Dance	change	Stock	changes	pencs	change
AT Inds	14	423	+ 8	Reyal Ins	10	335	+ 8
EC		998	+13	TI Group		108	+ 4
laxo		711	+ 7	Cable & Wi	re 9	298	+ 5
rilish Aero		235	+ 7	LRC Int	-	59	+ 45
agis Star		358	+15	Pilkington	9	193×d	- 112
ontho		78	+ 8	RTZ	-	365	+ 5
been! Flact	30	AA7wd	+ 3	Shall Trans		382	4.2

#### FT-ACTUARIES SHARE INDICES

S.E. ACTIVITY

172 B 150.4

:	EQUITY GROUPS		Tues July 6 1982					- Ziy	July 1	30	(abbuter
ښو	& SUB-SECTIONS res In parentheses show marker of stocks per section	Index No.	Day's Change	Est. Exercings Vield % (Mixc.)	Gross Ole. Yield % (ACT at 30%)	Est. P/E Ratio (Nat)	ladex No.	finder, No.	Index No.	fadex No.	Index No.
Ī	CAPITAL 60005 (209)	391.17		9.56	429	13.02	387.05	385.14	386.40	387.45	349.7
I	Building Materials (23)	324.26	+15	12.32	5.63	10.19	319.62	320.27	321.63	324.21	301.9
ł	Contracting, Construction (28)	.583.03		15.05	5.25	7.83	577.18	574.46	576.78	578.62	551.0
l	Electricals (31)	1520.41	+6.9	6.92	213	18.36	1506.19	165.48	3494.25	1490.84	,
١	Engineering Contractors (11)	196.50	+11	1331	5.99	9.06	477.5%	473.89	478.50	47.56	497.12
ł	Mechanical Engineering (67)  Metals and Metal Forming (11)	149.20	+11	12.47	3.07	10.45	194.97	193.69	195.63	197.04	201.5
Į	Motors (20)	26.12	+0.7	2.70	8.12	2,96	147.57 -85.52	146.00 34.20	147.91 85.65	151.11	197.9
ł	Other Industrial Waterials (18)	352.59	+16	10.44	6.05	пъ	36.97	347.81	341.95	351.07	3756
I.	CONSUMER GROUP (202)	30615	+11	12.98	5.74	234	300.85	239.76	300.56	302.48	275.5
ľ	Brewers and Distillers (22)	323.05	+13	14.37	6.32	2.50	SIRE	376.56	317.83	377.02	365.4
ı	Food Manufacturing (22)	262.22	+0.8	17.77	7.18	656	250.25	259.17	259.19	260.66	259.0
Ì	Food Retailing (14)	622.61	+12	9.02	3.59	13.46	SILW	446.33	611.33	510.55	578.3
١	Health and Household products (9)	466.75	122	7.43	3.62	15.88	<b>456.74</b>	<b>651.64</b>	457.37	454.67	337.5
ľ	Leisure (23)	410.98	+1.0	19.61	5.64	11,91	407.45	401.01	473.00	403.07	416.2
ŀ	Newspapers, Publishing (13)	500.50	+0.8	13.40	6.13	9.39	594.34	54.57	507.05	515.74	491.2
ı	Packaging and Paper (L4)	341.06	+24	17.01	7.77	6.82	137.76	136.83	138.81	. 140.45	18.9
l	Stores (45)	271.64	+0.5	10.66	5.12	12.42	27126	262.75	259.23	272.14	253.6
ı	Textiles (23)	162.29	+0.5	14.39	6.62	8.44	151.50	162.53	162.41	163.99	15111
ı	Tobaccos (3)	333.20	+1.1	22.91	8.25	. 5.15	329.71	325.44	325.57	33227	261.4
l	Other Consumer (14)	263.41 250.17	+0.5	13.92	6.72	3125	267.3	251.97	263.41 249.38	254.79 250.34	225.44
ŀ	Charicals (15)	329.18	+62	14.40	725	8.32	322.67	326.64	339.56	332.65	27.7
ŀ	Office Equipment (4)	99.90	+0.5	16.27	173	7.55	99.12	100.44	363.00	1617	115.22
ŀ	Shipping and Transport (13)	544.47	+8.7	19.63	7.55	6.20	59.73	541.25	542.47	546.42	563
ŀ	Miscellaneous (44)	329.21	+0.9	11.56	5.72	10.50	326.34	324.24	324.47	321,75	294.13
۲	INDUSTRIAL GROUP (487)	326 16	+1.0	13.60	531	20.35	372 %	371.15	322.62	124.13	294.2
۲	ONS (13)	661.45	+03	23.89	1.79	4.74	672.16	660.41	675.85	65.3	672 14
-	500 SHARE HIDEX	353.60	+0.9	13.59	5.83	2.81	359.37	3419	351.47	353.70	291.9
ŀ		240.90	+02		7.04	-	240 31	239.62	239.01	240.66	25.7
	FINANCIAL GROUP (127)	265.24	+0.9	39.23		2.79	262.96	250.08	251.62	262.00	275.85
ì	Banks(6)	229.35	+0.7		2.94		227.75	227.73	222 54	221.07	271.5
	Insurance (Life) (9)	26151	+0.5	I. Z. I	6.99		243	253.88	2925	261.74	20.73
	Insurance (Composite) (10)	157.80	+0.5	· -	9.27		132.00	150.33	148.55	150.46	17.3
	Insurance Brokers (7)	511.23	+0.3	11.02	5.88	12.42	502.64	530.30	43.4	43.0	37.16
	Merchant Banks (12)	131.29	+2.9		6.75		128.79	132.98	134.57	135.37	172.53
	Property (49)	394.62	-0.9	5.75	4.08	23.21	398.28	377.19	397.5	402.00	<b>C11</b>
	Other Financial (15)	164.15	-0.3	18.66	6.98	628	TALES.	RAGI	165.21	164.56	171.61
۲	VUIE FORFICE (L2)		+05	-	5.73	,4.2.	284.48	294,77	296.05	28.37	
	Investment Trusts (111)	285.89	+26	17.62	7.63	7.36	18134	IRB	179.69	259.37	310 31
	MANUAL LANGE AND COMMENDATION OF LAND AND ADDRESS OF LAND AND ADDRESS OF LAND AND ADDRESS OF LAND AND ADDRESS OF LAND ADDRESS	346.81	+12	14.78	9.23	1.32	30.76	336.40	337.72	377.74	241.75
	Oversens Traders (28)	-									<b>498.24</b>
	ALL-SHARE INDEX (750)	323.01	+0.8	· :	620	-	309.5/	SIETE	320.61	227.13	335

	FI	XED	INTE	REST			AVERAGE GROSS REDEMPTION YIELDS 6	Mon July 5	(abbuse) ado Ase.
_	PRICE INDICES	Toes July -6	Day's change %	Mon July 5	nd adj. today	nd act. 1982 so date	2 Coupons 15-years 22/0	10.77 12.67 12.88	1254 1315 1334
	British Coveragest Syears	11328	+0.12	113.15		5.90	4 Mediant 5 years 13.50 5 Courtes 15 years 13.56 6 25 years 13.00	13.51 13.59 13.88	14.57 15.10 14.68
3	5-15 years	112.92 116.16 119.16	+0.09 +0.18 +0.73	112.85 115.95 118.30	- -	6.91 7.54 7.27	8 Couples 15 years 13.72   13.72   13.11	13.74 13.74 13.15 12.45	14,64 15.28 14,89 12,66
5	Afl Stocks	111.76	+0.72	113.61 88.42	_	6.86 5.83	1 Bels & Lates 5 years 14.61 2	476 466	15.55 15.59
Ĭ		-		45.00	-		3 25 years	14.61	15.63

# **NEW HIGHS AND**

	1999 and Lows for 1982.
-	NEW HIGHS (32)
<b>.</b> .	ERITISH FUNDS (7) Fodg. Glasc 185-67 Tress, 144pc 1894 Tress, 10pc 1992 Excher, 124pc 1994 Excher, 124pc 92 Tress, 154pc 1998 Excher, 134pc 92 Excher, 134pc 92
<del>-</del> .	Merston Thompson BUILDINGS (1)
	Rugby Port, Coment
	STORES (1)  BUSCIVEZALS (4)  Cambridge Elect Imm. Bus. Systems  GBC Pleasery
	Mitchell Somers
	Avera Haziewood
	Grand Metropolium INCUSTRIALS (3) Sinck (P.)
·· -	Shek (P.) (NeuSTMALS (S)
	Blundett Permoglaza Maring Inds.
	Gloss Watson (R. X.)
	INC.INC.
	Hesth (C. E.) Phoents MOTORS (1)
•	Lex Service TEXTILES (1)
	Smallshaw GL)
	Equity Inc.
	NEW LOWS (54)
	CANADIANS (5)  Bank of Montreel Trans Cab. Pipe Breson
	. HANKS (1)
	Joseph (Leo.)
- 1	Wiggins STORES (1)
- 1	Time Products
	Greet Awto. ELECTRICALS (3) Greet Awto. Wight (H.) Telephone Rentals EXPERING (2) Linread Whood (S. W.)
. 1	Linread ENGINEERING (2)
- 1	
- 1	INDUSTRIALS (7) Carevans Ind. Renown Inc. Fogarty (2.) Scotores Do. Deld. TNT
	Carevans Intl. Renown Inc. Fogerty (E) Septores Do. Defd. THT G.R. (Hidgs.)
-	Taisho Merine
	LEIEURE (1)
- 1	Ecosey & Hawkis MOTORS (1)
- 1	
1	More O'Ferrell Smith (DJ PROPERTY 19:
·	Consensat Febr MESC
. 1	Hasiemere Regions Prop. Land Secs. Rosehaugh
: I	Lynnog .
- 1	SHIPPING (3)
- (	Do. A
_ :1	TEXTILES. (2) Textured Jersey TRUSTS (S) Crescent Japan Int. Inv. Tst. Jersey
٠ ١	TRUSTS (5) Crescent Japan Int. lav. Tst. Jersey
-	GERL STOCKHOLDS WESTPOOL IN.
	Oils (5)  Flord Oil Cit Fr. Petroles Moray Firth
ı	Cit Fr. Petroles Moray Firth

# RISES AND FALLS YESTERDAY

# London Clearing Banks' balances

as at June 16 1982

THE TABLES below provide the first manthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the London clearing banks and cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector.

		:	٠.						
					£m	£m	£m	Min	£m
£m.	£m	£m	£m		. 924		_ AC		
47,232		+465 +608	- · · ·	Other bills	1,232	1,466	+ 48		94
6,110 - 3,336		+ 82		Investments:	9 798	_	+ 75		_
	70,742 21,779 48,963		+1,211 - 46 +1,257	Other	2,606	5,333	+ 5	+	81
13,364 3,320 30,227		+119		Advances: UK private sector UK public sector Overseas residents	44,374 509 3,568	48.450	+498 -155 + 71	+	413
4,409	51,319	+252	+ 930	Other sterling assets* Fereign currencies		8,424		÷	44
	122,061 15,214		+2,141 + 218	UK monetary sector	12,609		-122 - 27		
	137,275		+2,359		22,493	35,411	+844	+	696
·.	•			Advances:		113		+	6
	1,238		÷ 55	UK private sector	2,916 505 11,662	15 000	-148 + 10 +319	_	182
2,868		+168	•	Other foreign currency assets*		2,799		÷	45
1,152		- 90		TOTAL ASSETS		137,275		+2	2,359
1,351	18,956	+ 7	+ 744	Acceptances		2,616 52,780		<b>+</b>	82 386
	• Inch	ndes ite	me in st						
	13,123 47,232 941 6,110 3,336 13,364 3,320 30,227 4,409 2,868 12,030 1,152 1,554	13,123 47,232 941 6,110 3,336 70,742 21,779 48,963 13,384 3,320 30,227 4,409 51,319 122,061 15,214 137,275 1,238 2,868 12,030 1,152 1,554 1,351 18,956	eutstanding £m £m £m  13,123	## Em	## Em	Total eutstanding	## Em	Total eutstanding	Total entistanding

	· ·	• Includ			ense and		sit.			52,780		+ 386
TABLE 2. INDIVIDUAL GROUPS OF BANKS BALANCES	TO Out- standing	TAL Change on month		LAYS Change on month	LLO Out- standing	YDS Chenge on month	MIDI. Out- standing	AND Change on month	NATIO WESTMI Out- standing		WILLIA GLY Out- standing	
LIABILITIES	£m	£m	£m	£m -	£m	£m.	£m	£m	£m	£m	£m	£m
Total deposits	122,061	+2,141	34,274	+429	22,407	+747	25,702	+636	36,409	+289	3,269	+ 40
ASSETS					•							
Cash and balances with Bank of England Market leans:	1,236	+ 55	340	- 34	200	- 33	270	+ 39	382	+ 78	44	+ 5
UK monetary sector	27,508	+725	7.178	+139	5,087	+389	3.972	+369	10,829	-143	442	- 29
Other	26,859	+715	7,444	+ 81	5,308	+242	5.811	+156	7,612	+207	884	+ 29
Bills		+ 99	565	+ 61	291	- 28	335	+ 14	356	+ 39	34	+ 14
British Government stocks	2,728	+ 75	853	+ 17	426		820	+ 21	577	+ 38	51	·
Advances	63,533	+595	18,631	+128	11,871	+274	13,935	+ 28	17,228	+143	1,869	+ 22
					_				_			
TABLE 2.		: -				·						
INDIVIDUAL GROUPS OF BANKS'			· ` .									

# **Dollar improves**

The Argentine peso was devalued as part of an economic package resulting from the sharp deterioration in the economy. The commercial rate

devalued as part of an economic package resulting from the sharp deterioration in the economy. The commercial rate was set at 20,000 to the dollar, compared with about 15,700 previously. This rate applies to imports and exports, while a new financial rate, as yet unfixed, will apply to all other transactions.

DOLLAR — Trade-weighted index (Bank of England) 121.6 against 121.3 on Monday, and 167.2 six months ago. Threemouth Treasury bilis 12.65 per cent (11.50 per cent six months ago. Threemouth Treasury bilis 12.65 per cent (11.50 per cent six months ago. Threemouth Treasury bilis 12.65 per cent (12.9 per cent greyious month)—The dollar rose to FFr 3.2556. Sterling also cased month)—The dollar rose to FFr 2.5751 from FFr 6.8853. Within the D-mark; to FFr 6.9055 from FFr 6.88575 against the D-mark; to FFr 6.9055 from SwFr 2.1065 in terms of the Swiss franc; and in Y257.70 from Y257.20 against the Japanese yea.

STERLING — Trade-weighted index 91.2 against 91.2 at months ago. Three-month interbank 12?3 per cent (15.9 per cent six months ago). Annual inflation 9.5 per cent (15.9 per cent six months ago). Annual inflation 9.5 per cent (15.9 per cent six months ago). Annual inflation 9.5 per cent (15.9 per cent six months ago). Annual inflation 9.5 per cent (15.9 per cent six months ago). Annual inflation 9.5 per cent (15.9 per cent six months ago). Annual inflation 9.5 per cent (15.9 per cent six months ago). Three-month interbank 12?3 per cent (15.9 per cent six months ago). Annual inflation for per cent six months ago, and the Belgian franc. It showed within a range of \$1.7200. \$1.7300. at all of 75 points on the day. The pund rose to DM 4.29 from DM 4.29 from FF 11.88; and to SwFr 3.6550 from FF 3.800, and the Belgian franc to F1 31.945 per cent y445.

D-MARK — EMS member (10.0 francs from F1 39.845; and the Belgian franc to F1 5.7850.

100 francs from Fl 39,845; and member the Belgian franc to Fl 5,7850 D-MARK — EMS (weakest). Trade-weighted index per 100 francs from Fl 5.7880. **EMS EUROPEAN CURRENCY UNIT RATES** 

	ECU central rates	Currency amounts against ECU July 6	from central rate	% change adjusted for divergence	Divergence
Solgian Franc	44.9704	45.1624	+0.43	+0.25	+1.5501
Osnish Krone	9.23400	8.16322	-0.86	-1.03	$\pm 1.6430$
German O-Mark	2.33379	2,36218	+1.22	+1.05	±1.0888
Fronch Franc	6.61387	6.55490	-0.83	-1.06	+1.3940
Outeh Guilder	2.57971	2,21080	+1.21	+1.04	+1.5004
Insh Punt	0.691011	0.686324	-0.68	-0.85	-1.6891
Italion Lira	1350.27	1328,91	-1.58	1.58	+4,1369
Chengo weak e	a aro lor E urrancy. Ac	CU, therefore	penitive cha	ngo denotes	4

Dollar was slightly firmer against most major currencies in thin and erratic trading. The market was generally rather confused, with the downward trend in Eurodollar interest rates failing to prompt any large movement against the U.S. currency, despite the better money supply figures in the last two weeks.

Sterling remained firm against most currencies, despite the easier trend in London interest rates, but lost ground to the dollar.

The Argentine peso was devalued as part of an economic package resulting from the sharp deterioration in the confusion of the deterioration in the confusion of t | 1,7200-1,7330 | 1,7220-1,7230 | 0,39-0,44c dia | 2,2250-2,2360 | 0,78-0,83c dis | 1,75-82.05 | 1,75-87.85 | 1,75-82.05 | 1,75-87.85 | 1,75-82.05 | 1,47-1,489 | 1,2450-1,2450 | 1,2450-1,2450 | 1,2450-1,2450 | 1,2450-1,2450 | 1,2450-1,2450 | 1,2450-1,2450 | 1,2450-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,250-1,2450 | 1,

Belgian rate is for convertible francs. Financial franc 88.82-89.32 Sie-month forward dollar 1.73-1.78c die, 12.month 4.95-4.80c dis.

THE POUND SPOT AND FORWARD

#### THE DOLLAR SPOT AND FORWARD

July 6	Day's spread	Close	One month	% p.a.	Three months	. % p.s.
UKT	1.7200-1.7330	1.7220-1.7230	0 39-0.44c dis	-2.89	1.33-1.38dia	
Irelandt	1.3958-1.3907	1.3870-1.3885	0.51-0.41c pm		1.30-1.18 pm	
Conada	1,2915-1.2940	1.2920-1.2930	0.12-0.15c dis		0.42-0.46dis	
Nathlad.	2.7375-2.7515	2.7485-2.7515	1.65-1.55c pm		4.58-4.48 pm	
Selgium	47.36-47.50	47.48-47.50	Sc pm-1 dis		1-3.6 dls	-0.1
Danmark	8.5600-8.6025	8.5975-8.8025	0.65-0.40ers pm		0.70-0.20 pm	
W. Gor.	2,4750-2.4935	2,4895-2,4905	1.45-1.40pt pm		4 06-4.01 pm	
Portugal	84.00-84.45	84.25-84.45	30-130c dis		70-370 dis	
Sasin	111.62-111.97	111.65-111.70	70-80c dis		200-225 dia	-7.59
Italy	1,3921 1,3981	1,3964-1,3984	6-7 fire dia			-6.46
Norway	6.3420-6.2670	9.2575-6.3625	0.50-0.90prs dis		1.50-1.90dia	
France	6.8750-5.9080	6.9030-8.9080	0.35-0.15e pm		0.70-1,20dis	
Sweden	9.1380-6.1800	6.1550-6.1500	0,60-0.40ors pm		1.80-1.60 pm	
Јарап	256.60-257.75	257.65-257.75	1.94-1.88y pg		6.47-5,37 pm	
Austrio	17.44-17.49	17.44%-17.45%	111-104-gro pm		32-29 pm	7.68
āwitz.	2.1070-2.1220	2.1200-2.1220	7.12-2.02c pm		5.80-5.70 pm	

CURRENCY	CURRENCY MOVEMENTS			URF	REN	CY RA	TES
July 6	Bank of England Index	Morgan Guaranty Changes	July	6		Special Drawing Rights	European Currones Units
Rierling U.S. dollar. Canadian dollar Austrian schilling Belgian franc. Ianish kroner. Doutsche mark. Swiss franc. Guilder. French franc. Lira. Yen	117.1 94.9 82.1	1 -32.2 13.4 -91.6 +26.8 -1.9 -14.4 +49.0 +98.4 +92.9 -20.1 -59.3 +26.6	Storling U.S. S. Canad). Auetria Belgian D mark Gulldor French Lira Yon Norwer Spanist	An 8 Sch. Fr Fr	654 14 11 718 815 19 512	1,08795 N/A 19.0062 61,6009 9.33296 8.70062 2.98504 7.49441 1516.17 379,206 6,91708 121,447	45,1624 9,16322 2,36219 2,81080 16,35480 1328,91 944,849 6,04892 106,570
Besed on trade we Weshington egreen	ent Decen	ber, 1971.	Swiss F Greak D	Fr	51 <u>*</u>	9.30312	5.85444 9.01313 66,7698

-				
July 6	£			Note Rates
Argentino Peso AuetraliaDollar Brazil Gruzeiro Finland Markka Graek Draohma Hong Kong Dollar Irankial KuwaitDine nKDI Luxembourg Fr	1.9980-1.7000 298.28-299.28 28.1837-8.1836 120.644-128,494 10.2115-10.2245 1 146,45 2.4852-0.4961 81.76-61,85	0.8927-0.9932 172,33-173,19 4.7430-4.7450 69,20-69,70 6,8095-5,9832 84,40 0.2874-0.2877 47,48-47,50	lapan Netherlands Norway	30,00 30,30 88,50 89,50 14,75-14,89 11,83 11,93 4,251,4,301, 2360,2400 444,449 4,711,4,751, 10,98 11,02
Malaysia Dollar Naw Zosland Dir. Saud: Arab. Riyal Singapore Dollar 2th African Rand U.A.E. Dirhem	2,3365-2,3395 5,2270-3,9325 3,711 <sub>2</sub> -3,721 <sub>4</sub> 1,9856-1,9996	1,3519 1,3538 6,4400 3,4410 2,1610 9,1530 1,1503,1,1618	United States	1844-1933; 10,65-10,66 3,633,-3,673; 1,711-1-734

OTHER CURRENCIES

\*CS/SOR rate for July 5: N/A.

The fixing rates are the arithmetic means, rounded to the nearest one-

**EUROCURRENCIES** 

\$ rates fall

Eurodollar rates continued to

fall yesterday as the market awaited U.S. reaction to the

latest money supply figures re-

leased on Friday. While a mood

of cautious optimism may have been detectable with regard to

lower interest rates, the market seemed unlikely to adopt any positive trend in view of ex-pected distortions in money supply in the next few weeks and without any firm direction from the Federal authorities

from the Federal authorities.

European interest rates were

slightly weaker overall and this, tegether with an improved performance by the dollar in the spot market, saw the dollar weaken a little in forward trading despite lower Eurodollar rates

Elsewhere Euro-French franc

rates were easier, reflecting further reductions in French

domestic rates as the franc maintained its recent steady per-

formance within the European

Monetary Syslem.

#### **EXCHANGE CROSS RATES**

July 9	Pound St'rling	U.S. Dollar	Deutscham'k	JapanescYan	FranchFranc	Swiss Franc	Dutch Gulld'	Hallan Lina	Canada Dollar	Belgian Fran
Pound Sterling	0,581	1,723	4,288	444.0	11,89	3,636	4,738	2408.	2,298	81,80
U.S. Oqliar		1.	2,489	867.8	6,904	2,122	2,750	1398.	1,382	47,42
Deutschemark	0,233	0.402	9,657	103.8	2,774	0.852	1,106	681.6	0,512	19.08
Japanese Yen 1,000	2,252	3.880		1000.	29,78	8.239	10,67	5423,	5.012	184.8
French Franc 10	0,841	1,448	3,605	373,3	10.	3.073	3,984	8085,	1,871	.68,78
Swies Franc	0,274	0,471	1,173	121,5	3,254		1,296	658,8	0,509	22,39
Dutch Guilder	0,211	0.364	0.905	03,72	2,310	0,772	1.967	608,3	0,47D	17.27
Italian Gra 1,000	0.415	0.715	1.781	184,4	4,939	1,316		1000,	0,924	35.97
Canadian Dollar	0,449	0,774	1,927	198,3	3,344	1,649	2,122	1082.	2.721	: 36.75
Belgian Franc 100	1,232	2,106	5,241	542,8	14,54	4,468	6,792	2944.		100,

#### FT LONDON INTERBANK FIXING (11.00 a.m. JULY 6)

bld 15 )1/16 offer 1	5 to t8 bid 16 t5/t8 offer 18 1/t6		g day. The turnius gre National Westminster L. Basique Nationale de Paris and Morgan
EURO-CURRENC	Y INTEREST RATES (Market	closing Rates)	
July 6 Stori		wiss French Italian .	Beigian France   Danieh

SDR limbed deposits: one month 12½-12½ per cent; three months 12½-13½ per cent; six months 13½-13½ per cent; one year 13½-13½ per cent.

ECU limbed deposits: one month 12½-12½ per cent; three months 12½-13½ per cent; six months 13½-13½ per cent; one year 13½-13½ per cent;
Asian S (cleared rates in Simportie): one month 15½-15½ per cent; three months 15½-15½ per cent; six months 15½-15½ per cent; one year 15½-15½ per cent; one year 15½-15½ per cent; low years 15½-15½ per cen

#### MONEY MARKETS

# Bank cuts dealing rates of eligible bank hills (64-84 days) at 12.3 per cent. Further assistance was given in the afternoon of £69m, making a grant total of £251m.

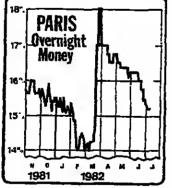
UK clearing hank hase lending rate 121 per cent (sinre June 8) There was 3 mond of cautious optimism in the London money market yesterilay over the increasing possibility of a cul-in clearing bank base rates. This followed a reduction in Bank of England dealing rates. where & of a point was cut from band 3 and 4 Period rates reflected the fall with three-munth interhank at 122-12; per cent rempared with 125-13 per and three-month sterling quoted at 1244-1245 per compared with 1244-1245

per cent.
The Bank of England forecast a shartage of £250m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills ~£182m and Exchequer transactions—£190m.
On the other hand there was a fall in the note circulation of £60m. The Bank revised its forecast in a shortege of around \$300m and gave assistance in

#### MONEY RATES

NEW YORK Find Intelligence (funch-time) Find lunds (funch-time) Findsure hills (12-week) Findsure hills (12-week)	147-14 12.65
GETMANY	
Comparé Overeght rate One month Trice months Six months	9.05 9.45 2.55
FRANCE	
Compto rate	75.25 14.8125

JAPAN Carcount rate 7.15625 7.28125



the moroing of £182m, comprising purchases of £17m of cligible hank bills in band 1 (up to 14 days) at 12½ per cent, £34m in band 2 (15-33 days) at 12½ per cent and £46m in band 3 (34-63 days) at 12½-12½ per cent. In band 4 (64-91) it bought £5m of local authority bills at 12½ per cent and £80m

# per cent when busing about FFr 3hn of first category paper from the market. This is its lowest rate since March

July 6 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth- nagotiable bonds	Finance House Deposits	Company	Discount Market Deposits	Treasury Bills o	Eligible Sank · Bills &	Fina Trade Bille +
ernight		19-14	1910			1234	1112-1214			
lays notice		_	125 <sub>8</sub> -185 <sub>8</sub>	: - 1	_		-			_
oys or		; –	_	. – ,			_	_	_	_
dayo notica	_	125, 125,	1212.1254		_	1279-13	1912	_	_	
e month		19 4.12	1234	13 <b>s</b> g. 13 '	19 5 <sub>4</sub>	127e-13	124	124	1212	13%
vo monthe,	1234 . 12,2	124-121	-	135-13	1234	16 la	121-184		18	13
ree months.	12 6 12 %	1254 127a	1234	133-13	19	131		191-191	1818-127	127
months	12-12-1	125.127	123	125, 125	127a				1178-11	12
na months .	18 124	124 127		13 12 4	19+2	: =		_	44.8-11.5	15
e year		194-197	124	13.124			-			_
	12, 12,	TW-6-79 (8)		19-12-4	124	• –	_		_	
vo years		·     –	1312	. –		: -	-	- '		

The afternoon help was made up of purchases of £58m eligible

bank bills in band 2 at 121 per cent, 53m in band 3 at 124 per cent and 58m in band 4 at 124

per cent.
In Frankfurt the Bundesbank added further liquidity to the

market through currency swaps, having injected some DM 13-2hn on Monday in the same way. However call maney remained firm, still reflecting the unwinding of

a DM 6.1hn repurchase agreement. The amount of help given yesterday was not specified by the authorities. Call money was quoted at 9.00-9.10 per cent.

In Paris the Bank of France of the money was a proper of the paris the Bank of France of the paris the Bank of France of the paris the Bank of France of the paris t

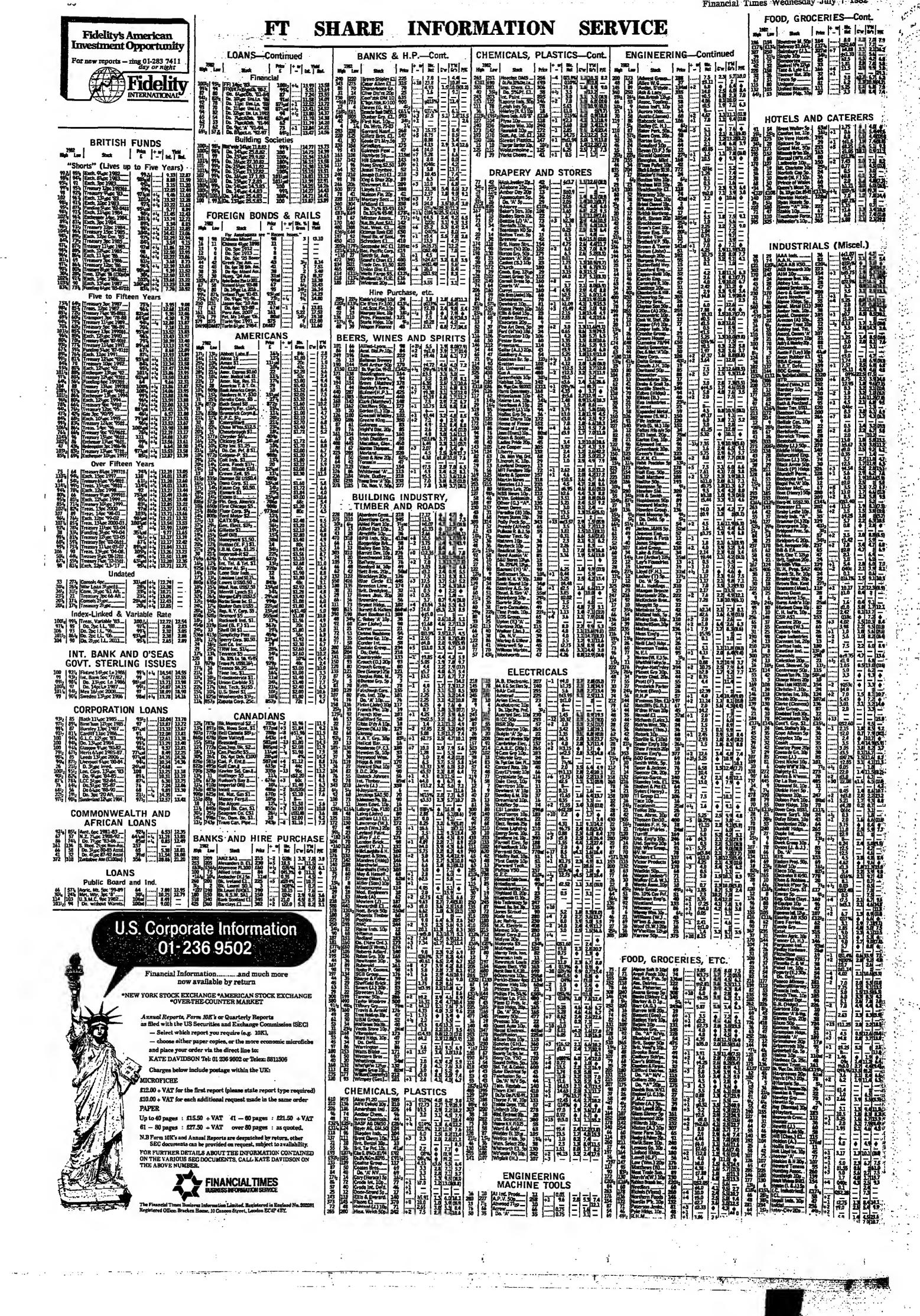
cui its money market interven-tion rate to 142 per cent from 15

Approximate setting rate for one month Transury bills 12½-12½ per cent; two months 12½-12½ per cent; three months 12½-12½ per cent. Approximate setting rate for one month bank bills 12½ per cent; two months 12½ per cent and three months 12½ per cent; one month trado bills 12½ per cent; two months 12½ per cent; three 
# FT UNIT TRUST INFORMATION SERVICE

Pallition of the state of

Abbier Unit Tel. Mages. (a) 3-3 % Peris Cherchyser EC4P 4DX 01-256 1833 AUTHORISED TR	USTS	Ridgefield Management 1-Firsbury Sq., EC2A 1PD Interio UT	1.6d. 07-588 6906 76 8-4 +0.4 10.31 103.44 +0.4 1.83
American Growth 157.8 62-11 +0.31 2.33 4 Meletille Cres., Edinburgh 3 091-226 3492 The Stock Exchange, Li	Management 12d., Major EC2N 1HA 588 2800 60.7 165.7 9.07 04.6 107.9 140	Ruthschild Asset Maner St. Switzle's Lene, London EC NC Asserican Prop. 1 ———————————————————————————————————	
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7 retuniony fund.   1.5 522 +0.3 354 Fidelity International Management Ltd. Equity Actum. (2)	88P. 01-625-6114 89.6 304-94	Save & Presper Group 4, Great St. Helens, London 68-73 Queen St., Ediphorph Deslings to: Un-554 8899 or intermediated.	FC3P-3EP
Property Funds   1927   1928   1929	160.10 5.29 200.85 5.20 76.90 13.28 te cely to Local Authorities.	Capital 33.7 Select intervational 329.1 Univ. Growth 78.5 Increasing lacouse 78.5 Ingl-yellocous 58.3 Smaller Cos. Inc. Fd. 62.8	
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Artistheset Securities Ltd. (a)(c)  37. Queen St., Leador, ECAR JBY. 01-236 5281  Castral Growth 34.7  (Account Units 3.0)  Prices on June 30. Next during July 7. Company of Growth 1. Compensation 1. 10. Frame Engine World. Migt. Ltd. (a)		Overnoes: Flants (x) 78.1 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2	121 -03 20 124 +03 02 124 +03 42
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(Access Units) 73.5 (Access Units) 62. 42.2 +0.6 4.74 (Access Units) 27.5	116   124   -0.2   124	Exceept Income 205.9 Exceept Intl. 320.3 Price at Jane 23. Next Scothets Securities Ltd. Scothets 53.3 Scothets 79.0 of	277.60 7.78 336.1 7.78 30.2 +0.2 7.76 37.3 +0.3 7.76
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	C CCA 01.623.4951	250 St Vincent St, Glasgow. Equity Trust Accum[212.2 Scattish Equitable Furn	041-248 2323 121.2  +1.2  5.48 4 Mgrs. Ltd.
Saving Perfect & G. Lts. 4. 28 department of the Control of the Co	Mogrs Ltd (a)(c)(g) and Rd, E7. (01-534-5544	28.St. Andrews Sq. Edinburgh Income Units	71.4 +0.4 5.12 96.0 +0.5 5.12 inestry. Management 5.58U 031-655.6000
Acc. Units "June 25, 1972   971   110 Bertists 14 (Dis.)   110   111   110   111   110   111   110   111   110   111   1	268. 01-600 4535 13 94 9 +12 150 110 140 8 +14 350 16 60 8 +02 7.40	Pegasas Tst. Johy 6  94.7 SIMCO Mooney Fuends 66, Cannon Street, ECAN 6AE SIMCO CAll Fuendt   100.0 SIMCO 7-Day Fundt   100.0 SIMCO 5 Fd. (7 day)*   US3008   Unantiburised - Cast 0	01-2% 14%
Regis lies., King William St., ECA. (D.42) 4951. Income Ford. (31) 475. Inc. Amer. Gent. (32) 475. Inc. Amer. Gent. (32) 475. Inc. Amer. Gent. (33) 475. Inc. Amer. Gent. (33) 475. Inc. Amer. Gent. (34) 475. Inc. Amer. Gent. (35) 475. Inc	101 10644 13 409 17.8 1227 + 6.7 4.09 17.8 1227 + 6.7 4.09	Stewart Unit Tst. Mana 45. Charlotte Sq. Edinburgh. †American Fund	100.9 3.14
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Unit Mgrs. Ltd.





CHANCELLOR SIGNALS TOUGH LINE AS NUM DELEGATES AGREE ON CLAIM FOR £115 MINIMUM

# Howe seeks lower wage rises

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT is likely to abandon the practice of settiog specific pay limits for the public services in the coming wage round as part of its efforts to convince workers of the need for substantially lower pay settlements.

While no formal decision has been taken, the Covernment is expected to break with its practice of announcing in the late autumn separate pay and price factors in the cash limits it applies to central and local government and the bealth ser-

It announced a cash limit pay increase provision of 4 per cent for this year and 6 per cent for

Public service settlements of hetween 6 and 7.5 per cent have been contained within the 4 per cent overall limit on increased spending on pay by offsetting job reductions and other

The decision not to announca separate pay factor this year might appear to some as an

Ban on sale

of Bradmill

share stake

By Anthony Mureton, Textiles

THE National Companies

and Securities Commission.

Australia'a corporate watch-

dog has after its first public

hearing, blocked a move hy Tootal to sell its 49.9 per cent

hulding in its associate

Bradmill Industries textile

group, to another Australian

that it had agreed to sell its

sharebolding to Bruck (Australia) another textile

Last night the British com-

pany said it was "very disappointed" at the decision,

which ties it to the Australian

Mr A. Tyldesley, a director

of Tootal, said the sale would

have belped in the rationalisa-

tion of the Australian textile

industry. The companies had put a lot of time and effort

into setting up the deal.

Tootal, which bought its

stake in Bradmill for A\$18.5m

in 1978, has reorganised its

own operations in Australia by pulling all its interests

non-woven fahries into the

But It has grown dis-

enchanled by the Australian anthorities' atlitudes towards

Recent moves have sug-gested that tariff barriers

may be reduced, opening up

the possibility of an inflow of

cheap cinthes from the inw-

cost Far Eastern suppliers

auch as Taiwan, Singaporc, Indonesia, Hong Kong and

disappointed at Bradmill's divideod policy. Bradmill bas

been spending on new capital

projects, which has kept the dividend limer than Thofal

Toolal has recently under-

gone a ratinnalisatinn of its

operations, particularly in the

lik, where the workforce has

fallen from 20,000 to 9,500

Snme indication of the muscle Tootal will put on

Bradmill came with the an-

nounecment that Bradmill's

ebairman, Sir Norman Young.

is retiring, having reached the

age of 70, and would be succeeded by a former Tootal director. Mr R. E.

Hartley, who went to live in

Australia and hecame a director of Bradmill, is to be

the full-time executive chair-man of the Australian

Continued from Page 1

BB is expected to pay

emplayees reparting far work this week, hul the suspension

of the PSO grant combined with the lack of revenue from elsewhere will force the

Bnard to decide whether it

It is under an nhligatinn to pay members of the NUR

under the guaranteed work-

ing week agreement, hut the

fact that it has still nut reached agreement with the

NUR on productivity issues

may hasten a decision (n

BR's underlying financial

sltuatinn means it is in no position to meet its obliga-

tions by enotinged horrow-

ings. Accumulated losses at

the end of 1981 were put at

£78m, and BR was forecasting

losses of £165m for the

current year before the NUR

guaranteed

snspend llic

and Aslef strikes

wnrking week.

can harraw in pay wages.

would have liked.

since 1978-79.

mao of company.

Rail

contracts are frozen.

The company has also heen

company.

Malaysia.

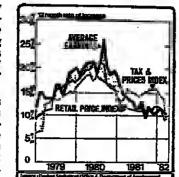
tariff protection.

company for some time.

Tootal, the Manchester-

textile concern,

A\$39.8m



acknowledgement Covernment that unions have succeeded in treating previous figures as a norm in exceed. But the greater flexibity provided by not revealing its negotiating hand too early, fits in with a tough line on pay signalled yesterday by Sir Geoffrey Howe, Chancellor

of the Exchequer. put a figure on the level of in- had gone down.

creasea the Government would Tha Government is clearly like to see in the coming round. keen to try, if possible, to get However, he said the Govern- away from the idea of an ment's approach "means sub- annual wage round, and annual ment's approach means sub-stantially lower pay rises than last year."

settlements. A key support in this will be the report of the

The average level of aettlements across the economy as a whole is running at shout 7 per ent. Those in the nationalised industries are st about 74 per cent and in the public services a little below that.

Sir Geoffrey aaid that, in an ideal world "sanity and realism" in the face of the present high level of unemployment " might well mean no pay increases at all. This would provide the fastest routa to higher He acknowledged that creat-

for "very low pay rises indeed."
Workers had not "earned a passage off the book" simply through two years of relative pay restraint. Falling pay settlengers to be not received. At a Press conference in ments bad not meant a fall in London, Sir Ceoffrey refused to real earnings, because inflation

ioquiry into service psy, published today, which recommends major pay reviews once every four years.

Criticising a pay system which for many workers "is expected to provide an automatic increase, delivered, as it were, with the milk," Sir Geoffrey said the Government needed to say to workers: "Forget about the sort of huge leap-frogging percentage increases you've had in years past. That era bas gone for-

"To protect your job, to preserva the jobs of those you work with or who use your product, and to provide jobs for those who are out of work, accept a lower increase this year than you had last

Labour news, Page 12

# Hopes of cut in interest rates boosted by money supply cheer

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

OFFICIAL figures suggesting that monetary growth in the UK is now well within its target range yesterday raised hones on the money markets that interest

rates may soon be cut.
The Bank of England's estimate of the mooey aurophy in mid-June suggests that, in the four months since mid-February, the three principal Indicators have expanded at rates well within the Government's target of an annual 8 to

12 per cent. The London clearing banks' figures, also published yester-day, suggest that the rate of increase in their lending to the private sector may have moderated in June.

Bank lending to the private sector was increasing at about £1.8bn a month between October and April. However, the latest figures suggest that the increase in May and Juoe may have fallen to about £1bn a month.

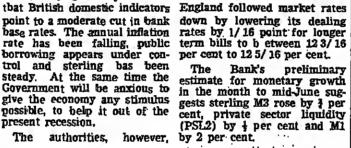
In the banking month of June the London banks' advances to the private sector increased by £498m, which they say suggests an underlying rise of about £700m. When the full hanking figures become available next the total private-sector lending is expected to be about £1bn or a little less.

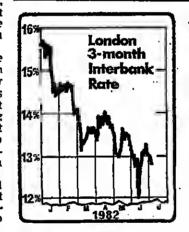
The mooey markets reacted yesterday by reducing interest rates, with the three-month interbank rate down i point to

1213 per cent. In spite of con-remain cautious about the trend tinuing uncertainties about U.S. of U.S. interest rates and their interest rates and a rise in the exchange rate of the dollar in seems unlikely therefore, that condon, three-month eurodollar any strong signals will be given interest rates eased i point to for a downward movement, although the authorities may consider nudge to any at \$1,7225.

The City generally believes

point to a moderate cut in bank down by lowering its dealing base rates. The annual inflation rates by 1/16 point for longer rate has been falling, public term bills to b etween 123/16 borrowing appears under conper cent to 125/16 per cent. trol and sterling bas been steady. At the same time the Covernment will be anxious to give the economy any stimulus possible, to belp it out of the





MONEY SUPPLY Percent increases February to june at annual rate

give a gentle nudge to any falling trend in the markets.

Yesterday the Bank of

PSL2 The natrow measure of money,

The broad measure of money, sterfing M3, includes M1 plus public sector bank deposits and private sector deposits which require notice of withdrawal.

The broadest measure of money, PSL2, includes sterling M3 plus other money market instruments, savings deposits and securities (including deposits with building societies) and certificates of tax deposit.

# ECD forecast gloomier

BY DAVID HOUSEGO IN PARIS AND MAX WILKINSON

accompanied by further rises in unemployment, is forecast by the Organisation for Economic Co-operation and Develop- growth to falter in the first half

In its half-yearly review, the OECD secretariat paints a gloomy picture of output within the 24 nation group—rising hy only 0.5 per cent this year and 2.5 per cent next year. Last December, it expected growth to pick up in the second half of this year to an annual rate of more than 3 per cent.

It now sees unemployment rising to almost 32m, or 9 per eeni of the OECD labour force, in the first half of 1983 com-pared with its earlier prediction that the number of jobless would level out at 28.5m

this year.
The OECD's forceast for the growth of the UK economy is significantly more pessimistic than that prepared three months carlier by the Treasury. backed
The OECD suggests that UK private

estimate of 1.a per cent. More importantly, the OECD expects the annual rate of

of next year after reaching 2 per cent in the second balf of this year. The Treasury, by contrast helleves there will be a steady pick up of activity as inflation brought under control. Its

March projection suggested growth of 2 per cent in the first half of next year compared with the OECD's 1.5 per cent.
The OECD endorses the
Treasury view that the annual inflation rate will be reduced to about 7.5 per cent by the first.

half of next year, although it is more sceptical about the consequences for growth.

Dr Sylvia Ostry, head of the economics and statistics departof the OECD, said vesterday the recovery in the OECD countries would be backed by stockbuilding and

consumption and

A SLOW and hesitant economic output wil grow by about 1.25 emphasised that "stronger recovery among industrialised per cent this year, compared investment, which is essential nations this year and next, with the Treasury's March if faster growth is to be achieved in a durable way, is not a part of the present projection."

Within the overall framework of slow growth, the report aays, countries are experiencing differing trends. U.S. real gross national product is projected to fall by about 1.a per cent in 1982 and grow by little over 2 per cent next year. The pattern of ahort cycles in which activity is boosted by tax cuts but restrained by monetary ceilings, is seen as continuing.

Japan is expected to move from a growth rate of under 2 per cent this year to s little under 4 per cent in 1983. In Europe, the report says. CNP could grow by about 1.5 per cent in 1982 sud 2.5 per cent next year. The estimates were mada before last month's realignment within the European Monetary System and assume no increase in nominal

Details, Page 3

Continued from Page 1

# Inquiry into Falklands crisis

introdure a special three-bour

likely merely to be for the on April 2, taking account of such access. approval of the formation of the all such factors in previous inquiry and MPs will not be years as are relevant, and to able to change its terms of

careful compromise to secure Opposition hacking and reflects a change in presentation to an emphasis on recent events earlier stress on the historical hackground.

The committee of Privy Coun- Callaguan last week roeport.

The Prime Minister also cona matter of courtesy, of the establishment of the inquiry which will look at events

Commons debate on the cillors bas been instructed, "to Thatcher has apparently tried establishment of the inquiry to-morrow at the request of the responsibilities of Government be no breach of sccepted con-opposition. relation to the Falkland stitutional convention in giving The committee is being set Islands and their dependencies the inquiry access to official up by the Government and will were discharged in the period papers from earlier Administrateorit to it. Consequently, the leading up to the Argentine tions. She has stressed that she motion before the Commons is invasion of the Falkland Islands and ber ministers will not have

Mrs Thatcher's insistence that the inquiry be impleted by the end of this year at the latest meets Labour'a pre-The wording represents a tacted farmer Prime Ministers ferences, as well as her underyesterday to inform them, as standable desire to get any criticisms whlob may result out of the way well before any General Election. This appears rather than Mrs Thatcher's of previous Administrations, to have been underlined by her Following criticisms by Mr attempt to rule out an early Edward Healh and Mr James election.

#### 31% pay demand B John Lloyd, Labour Editor BRITAIN'S mineworkers are committed to fight for a wages and conditions package which includes a pay demand of 31 per cent and carries with it a multiple threat of strike action if negotiations break down.

Miners vow

to fight for

Mr Arthur Scargill, president nf the National Union of Mineworkers, said at the union's annual conference in Inverness vesterday that a campaign for the claim must be carried to the coalfields through pithead meetings, rallies and an expanded edition of the union's newspaper.

He warned: " If our membership rejects us, it will be seen as a green light to the board and Government oot only to re-fuse our wages claim but to attack pits, jobs and standards of life."

The union also took a step towards bringing in five-yearly elections of officials, replacing the present system of election for life.

The composite resolution on wages, overwhelmingly passed, would bring the basic minimum of paid surface workers up from £87.80 to £115, a 31 per cent increase. All other grades would receive commensurate flat rate increases.

The flat rate element means that the £27.20 increase for lower paid workers would also be paid right up to the top grade. It would bring the highest-paid face workers' minimum up from £121.55 to £148.75. The National Coal Board reckons the cost of a 31. per cent increase on all grades at £420m. However, the flat rate claim would mean a cost of around £400m

Other resolutions demands that miners' wages, which tend to peak in middle age, will be main-tained when they move to less demanding work off the coalface, and that surface workers move to the same early retirement age 60 as coalface workers.

All of these demands are backed by threats of industrial action. The wages claim calls for a special delegate conference to be convened if the claim is refused followed by an immediate overtime ban and a recommendation to miners that they vote in a ballot for a strike or other union.

The union's negotiators will attempt to draw up a wages package for the union's executive on July 15. If approved, it will be presented immediately to the Board. Mr Scargill said that negotiations would be deemed to have begun as soon as the claim was presented. Mr Scargill's new model union, Page 23.

# Weather

Y'day midday

UK TODAY MOSTLY dry and warm; some rain in the north and west. S. and S.E. England, Midlands

and Channel Islands Mostly dry with sunny periods. Max 24C (75F). E. N. and N.E. England Sunny intervals with a little rain or drizzle. Max 21C

Rest of England, Wales, Scot-land, N. Ireland, Isle of Man, Orkney and Shetland

Cloudy with some rain or drizzle; clearer later. Max 19C (66F). Outlook: Little change.

WORLDWIDE

Y'day midday

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#### THE LEX COLUMN

# Just a whiff of cheaper money

of England's bill dealing rates continue to titiliate the financial markets, but there was not much excitement in the June money supply indication. A a per cent rise in sterling M3—which the miners bave unaccountably ignored in framing their pay curbs—did not satisfy the gilt-edged market's best hopes. The U.S. bond market, re-opening after Independence Day, was less enthusiastic about recent U.S. money figures than London had been on Monday.

Still the markets bave got the feeling that the authorities. as so often before, would quite like to see interest rates slightly lower. Bank lending was again not far short of fibn in banking June, but the Bank of England bulletin more or less rules out any increase in ratea to combat this, for fear of choking off the recovery-and inded yesterday's vehicle production figures point to some faltering in activity. No doubt the Bank will let the markets know when it thinks rates are low enough.

#### Granada

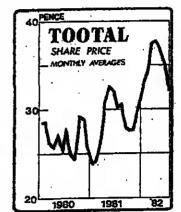
The video revolution is proving a mixed blessing Granada. Increased spending on rental assets has pushed up depreciation and interest charges far enough to elimiinterest nate an 11.4 per cent gain in operating profits during the half year to mid-April. At the pre-tax level, profits are down 2.3 per cent to £23.9m and the group is warning shareholders of a similar downturn for the year as a whole,

Granada'a eash outflow this year could be close to £40m. enough to leave net borrowings at over 35 per cent of sharebolds' funds. Unfortunately, this cost is being borne at a time when other businesses are failing to fire on all cylinders. Property profits are down, as Granada seeks tenants for its City sites, while the benefit of buoyant TV advertising revenue is being partially offset by the cost of preparing for channel 4 the group is likely to charge about £5.6m against its revenue account this year.

Bingo earnings are atarting to recover and the U.S. Telerent business is inching its way towards profit but negative cash flow will remain a feature of Granada's performance for a nuisance for the company and a while yet. In the meantime, the further blot on Australia's share price of 189p produces a wretched record of dealing with prospective yield of 4 per cent. foreign investors — for sheer

Finance for Industry's report and accounts provide little just under half of Bradmill, and working practices.

Index rose 5.6 to 554.0



detailed information about ths performance of its investments, where last year'a sizeable bad debt provisions have been made, but there is a wealth of data about the structure of its

According to the inflation adjusted accounts, fixed rate debt comprising roughly half of FFI's £950m of monetary liabilities at the end of March. A good portion of this is very cheap, though nons as attractive as the 3 per cent mortextended . to members, and offers a useful endowment income. Increasingly, however, the company is redeeming fixed-rate eurodollar debt ahead of time and taking the book profit to reserves.

By covering itself on the foreign exchange market, FFI finds that It can refinance the debt in dollars and convert the proceeds into sterling to produce a total cost of funds as attractive as that available to the oGvernment Broker. judge from the yield on its quoted bonds, FFI would have to pay about 60 basis points above a comparable gilt-edged yield to obtain the money direct. FFI's shareholders, mainly the clearing banks, are obviously impressed by this financial showmanship. They are about to subscribe another £15m of equity capital.

#### Tootal

The breakdown of Tootal's plaos to sell its Australian associate Bradmill is a serious bloody - mindedness matching Canada.

has not been allowed to take control. It has a lot of capital . tied up in a business from which it derives very little cash flow, and which is threatened by the growing possibility that Australian tariff barriers might be lowered to the benefit of Far. Eastern textile maoufacturen It had found a satisfactory sold tion under which the local company Bruck was willing to buy it out, take over its Australia trademarks and bid for the rea of the company on the sam

The newly-formed Nationa Companies and Securities Con-mission challenged the deal claiming that Tootal was recels ing more favourable terms than the other Bradmill shareholders. In essence thia was a quibble about the value of trademarks, which has gone on for so long that Tootal, balieving it is damaging to Bradmill's business has called the whole thing off.

It will thus not receive the promised £24m cash—a very important injection to a company with £70m of net debt in January (against £133m of equity), and an interest charge that swallows half its tradinprofit. At 32p. down lp feste. day and 9p since the figure came out in May, Tootal shar vield 104 per cent.

The Aslef spirit is alive and well in the accountancy profes-sion, which according to early voting returns is supporting (by a amall margin) the resolution from ita militant Burgess Hill branch calling for the abandor ment of current cost accounting." the so-called "flexible aodiing." The accountants, many of whom are believed to have more gage commitments, are time defying their Moorgate-based executive and voting for the historic 1919 "pound is pound " agreement. . Support for the executive

was most noticeable in the larger depots such as Milibank where some accountants were crossing picket lines in order to apply cost of sales adjustments as usual. In rontradisome provincial audits were a a standstill. A general model on the way in cover the end of the long-running dispute. Much may still depend on the last-minute influence of

"Blg 8" signalmen who round enormous stretches of the wiff-ing network. Meanwhile sha of the profession's biggest custo mers are wondering whether reactionary accountants are the Tootal has for some time held best people to design their own

# **NEWS**

BUSINESS

## Argus for Health **Authority**

Phoenix pathology laboratory data handling systems, valued at over £250,000, have been delivered by Ferranti Com-puter Systems to the Wessex Regional Health Authority. Based on Argus 700G computers, the systems will accept data from laboratory instruments directly through microprocessor inter-faces. An operator with no compoter knowledga has fast, easy access to a powerful diagnostic aid which will store for recall patient information, eoch as aymptoms, test results and medication.

Two further Farranti Delphi-

#### Meet Maxivolt

Ferranti Electronics has introduced Maxivolt, a family of high voltage, high speed, power switching transistors. 33 types are available in TO-3 and TO-220 packages up to 25 amps and 1,000 volts ratings for use in off-line switching power supplies, con-vertors, high voltage invertors and switching regulators.

#### Briefly . . .

TRW Forranti Subsea has supplied a hydraulic power unit to Shell Expro for use on a North Sea production

Ferranti Type 520 Laser Rangers have been selected equip tanks recently ordered by the Sultanate of Oman Land Forces.

#### ADVERTISEMENT-POWER

# Ferranti computer

contract for Torness Ferranti Computer Systems used for central data processhas won orders of over £8 million for cootrol and data processing computers for Torness nuclear power station in Scotland. Contracts were awarded by South of Scotland Electricity Board (SSEB) and

Distributed mooitoring and control functions will be performed by over 70 Ferranti Argus 700 computers ranging from the micropro-cessor based 700CD, used as

National Nuclear Corporation

ing and supervising.
Up to 15,000 analogue and
15,000 digital inputs from the
two reactors and their ancillary systems may be monltored. Software will run under the Ferranti OSC operating system with applications software written lo either Ferranti PMS or A Ferranti F-Net communica tions system will link that computers providing the distributed data base. The data

processing computers controllers, to the very power-ful 700GX minicomputers of the other computers. access information from any

#### AVIONICS

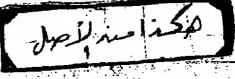
# RAF tests automatically

Under a 3-year MoD develop-ment contract the FIST-P (Ferranti Inertial System Test — Inertial Platform)

will be produced at Bellshill, Glasgow. FIST-P will enable the RAF to do its own aer-vicesbility and diagnostic testing.

The system will be brought into line with the Ferranti ents.

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Ferranti Navigation Systems Department is to develop and supply five Automatic Test Equipment (ATE) systems for FIST-L - Line Replaceabla Unit testing system in pro-duction for RAF second-line servicing. use at RAF (3rd line) Depot Ferranti inertial navigation

systems equip many RAF air-craft including Tornade, Harrier, Jaguar and Nimrod Four Ferranti ATEs have been developed to perform all aspects of testing required in the manufacture, repair and maintenance of inertial systems, LRU's electronic modules, electro-mechanical sub-assemblies and company

The good news is FERRANTI Selling technology